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Justices Void Internet Indecency Law

Curb Violates Free Speech, Supreme Court Rules, 7-2

By Brian Knowlton
International Herald Tribune

WASHINGTON — The Supreme Court, taking up the question of free speech in cyberspace for the first time, ruled Thursday that a federal law that sought to curb indecency on the Internet was unconstitutional.

The justices, by a vote of 7 to 2, agreed with a lower-court finding that the federal law, which sought to protect children under 18 from sexually explicit material, was drawn far too broadly and would deprive adults of access to materials they have a right to view.

The decision was hailed by free-speech advocates, library groups, newspaper publishers and computer industry spokesmen. They said it could shape the court's approach to dealings with computerized communications for years to come. The Internet links perhaps 40 million computer users around the world, giving them access to vast information resources.

The Clinton administration supported the overturned law, formally known as the Communications Decency Act.

The administration is now expected to craft a more limited approach, relying on voluntary actions by the computer industry to produce improved software that can block indecent materials and calling on parents to monitor their children's computer use.

Justice John Paul Stevens, writing for the court majority, recognized the "legitimacy and importance of the congressional goal of protecting children from harmful materials" but said that the law abridged constitutionally guaranteed freedom of speech.

In an earlier case, he noted, the court likened a restriction on speech "to burning the house to roast the pig. The CDA, casting a far darker shadow over free speech, threatens to torch a large

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Doctor-Assisted Suicide Not a Constitutional Right

The Associated Press

WASHINGTON — In a unanimous decision that will echo through hospitals and homes, the Supreme Court said Thursday that terminally ill people did not have a constitutional right to doctor-assisted suicide.

Chief Justice William Rehnquist, who wrote the main decision, said that the idea of having someone help end another's life conflicts with "our nation's history, legal traditions and practices."

In another key ruling, the Supreme Court gave President Bill Clinton what may be temporary authority to veto specific items in spending bills.

In its decision on doctor-assisted suicide, the court upheld laws in New York and Washington state that make it a crime for doctors to give life-ending drugs to mentally competent but terminally ill patients who no longer want to live. Lower courts had overturned the statutes.

"The history of the law's treatment of assisted suicide in this country has been and continues to be one of the rejection of nearly all efforts to permit it," Justice Rehnquist added in discussing the Washington law.

"That being the case, our decisions lead us to conclude that the asserted 'right' to assistance in committing suicide is not a fundamental liberty interest protected by the due-process clause."

Reaction to the news was swift. At the American Medical Association's convention in Chicago, the 475-member House of Delegates broke into applause and cheers.

The Hemlock Society, the largest U.S. organization concerned with right-to-die issues, said it was disappointed but not surprised by the ruling. "For us, it is back to business as usual," the society's director, Faye Girsh, said in a statement.

The decision, while bound to have an enormous impact on the continuing debate over assisted suicide, certainly will not be the last word. States still might be free to enact measures allowing doctor-assisted suicide.

Oregon already has done so, but that referendum vote is being challenged in court. The legislature has agreed to send the issue back to the voters in November.

Congress passed a bill in April to keep federal funds from being used to pay for any doctor-assisted suicide. The bill's sponsors said such legislation was needed because Oregon health officials intend to use federal Medicaid funds to pay for such suicides as a form of "comfort care."

In signing the bill into law, President Clinton said he had sympathy for those who suffer but added, "I continue to believe that assisted suicide is wrong."

The Supreme Court first recognized a constitutional right to choose death in 1990 when it ruled that terminally ill people can refuse life-sustaining medical treatment. Justice Rehnquist was

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Frank Lennon/Agence France-Presse

Tennis fans splashing their way out of the grounds at Wimbledon, where heavy rains severely disrupted play for a second straight day.

Will Wet Wimbledon Shrink in the Rain?

Many Matches Might Be Shortened

By Ian Thomsen
International Herald Tribune

WIMBLEDON, England — There is eccentricity, there is madness, and then there is the steadfast ingenuity of the three friends who sat in the rain in their folding chairs outside the gates of Wimbledon. They were promising to spend the night Thursday sleeping on the public sidewalk.

But it is supposed to rain all night, a passerby told them.

Not a problem, they said — they had brought tents.

But it is supposed to keep raining all day Friday and all day Saturday, they were told.

"Don't be talking like that," Sue Edwards, a nurse from Devon, said from under her enormous dripping umbrella. "We'll be watching tennis today."

If they do see any tennis in the next few days, it might have to be the replays of colorful old matches the BBC began rebroadcasting Wednesday, when only a couple of hours of play were completed in between showers. Forecasters are predicting that this could become the wettest Wimbledon in its 111 years. There was no play Thursday, drowned out by rain, the first time that's happened in five years. More of the same is forecast for Friday, Saturday, Sunday and Monday. And the forecast for Tuesday? "We haven't got one yet," said Alan Mills, the tournament referee. "I don't want to get more depressed."

After four days there are still 26 uncompleted ladies' first-round matches and six for the gentlemen. Altogether, the tournament is 120 to 130 matches behind schedule and losing ground fast. Officials were considering whether to schedule matches for only the second time ever on Sunday, the traditional mid-tournament day off. But there would be no point in going to the trouble if the forecast is poor. "It would be little bit silly of us knowing the weather forecast, to open up everything, and then have another day like today," Mills said.

Mills was contemplating the drastic move of slashing the men's singles matches from best-of-five sets down to a maximum of three sets. "I can't see the final being best-of-three sets, or the semifinal," Mills said reassuringly. The second through fifth rounds, including the quarterfinals, could be vulnerable to such editing. Already the men's doubles have been cut back in this way.

Wimbledon's most miserable season was in 1922, the debut year of Center Court and the surrounding grounds, when the tournament wasn't completed until the third Wednesday. Mills said he considered the third

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Hong Kong Christians Wait and Worry

Conflict Is Feared Despite China Pledge

By Steven Mufson
Washington Post Service

HONG KONG — Last year, officials of the Roman Catholic Church's obscure liturgy commission here realized that when Hong Kong returns to Chinese sovereignty they will be sitting on an explosive cache — volumes upon volumes of letters from members of the underground Catholic church in China.

Fearful that if the letters fell into the hands of Chinese officials they would jeopardize the safety of thousands of Chinese Catholics loyal to the Vatican, the Hong Kong church officials decided to ship the documents outside the territory for safekeeping, a source in the church said.

The move reflects the quiet anxiety among Hong Kong's 620,000 Christians as China prepares to take over this British territory of 6.3 million people on Tuesday. China has promised to respect religious freedom and has exempted religious organizations from new rules barring local groups from having foreign links. But throughout the rest of China, Christians who fail to pledge

Chinese authorities crack down on a restive Muslim region. Page 4.

loyalty to the Communist Party and its Communist-run church organizations risk imprisonment. A document issued recently by a Vatican group asked, "Given the 'liberal' way in which Beijing interprets laws, will it not also try to restrict religious freedom?"

"We have our own bottom line as believers," said Bishop John Tong of Hong Kong, where people are obsessed with bottom lines and where they build up to the heavens instead of praying to them. "We don't want to find conflicts, but if we have no other way, we will follow God and follow the church."

For now, Hong Kong church leaders say they are confident Beijing will live up to the letter of Basic Law provisions that guarantee freedom of religious belief and religious activity. Bishop Tong, Bishop Joseph Zen and several other church officials have accepted invitations to the handover ceremony.

They were reassured in part during a visit in May to Beijing, where Bishop Tong and Bishop Zen discussed the fate of the church in Hong Kong with officials of the Religious Affairs Bu-

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The Spy Who Came In From the Heat Speaks Out

Ex-CIA Man Criticizes Effort Against Saddam

By Jim Hoagland
Washington Post Service

WASHINGTON — In his three-year struggle to overthrow President Saddam Hussein and bring democracy to Iraq, Warren Marik of the CIA says he did everything he could think of — and was permitted to do.

He helped organize flights of unmanned aircraft over Baghdad to drop leaflets ridiculing the Iraqi dictator on his birthday. He organized military training and some small arms supplies to Kurdish guerrillas in northern Iraq. And he oversaw spending millions of dollars that went to a Washington-based public relations firm to produce radio scripts and videotapes denouncing the regime.

None of it worked. The anti-Saddam campaign that Mr. Marik helped run was broken apart by the Iraqi dictator last year with relative ease. And now, partly in frustration, Mr. Marik has come in from the cold to tell the story of the CIA's war on Mr. Saddam as he saw it.

Mr. Marik says he does so partly with the hope of getting the agency to reconsider what he views as a misguided shift of strategy. He criticizes a past shift toward fomenting a quick coup against Mr. Saddam, and away from the plan that he tried to carry out aimed at gradually strengthening a "liberated" zone in the country's Kurdish north.

The decision of the 25-year CIA veteran to go public with details of an operation that is still technically ongoing has been strongly influenced by a similar decision by a leading Iraqi opposition figure, Ahmed Chalabi, and his colleagues in the Iraqi National Congress to make a clean break with the agency and start a new political phase in their efforts to bring change to Iraq.

Mr. Marik and the CIA worked closely in the north with Mr. Chalabi and the National Congress, an umbrella group of anti-Saddam activists made up mostly of ethnic Kurds. "We have learned the hard way that covert action that is not part of a large strategic political program is of no value," Mr. Chalabi said Wednesday in Washington. "We want to work with the State Department, the National Security Council, or AID. But our involvement with any covert agencies is finished."

AID is the acronym for the U.S. Agency for International Development.

Mr. Marik, 51, retired from the agency six months ago. He says he has no regrets about the role he personally played. "I still feel good about what I did in northern Iraq," he said. "We were supporting exactly the kind of people America should support. But we tied ourselves in knots."

He tells a story of sharp factionalism and confusion within the CIA as case officers warred with each other to impress superiors and promote different sets of "clients" among the Iraqi dissidents they supported.

In particular, while Mr. Marik was working with Mr. Chalabi and the National Congress, others in the U.S. government opted to support former political associates of Mr. Saddam and his

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Frank Johnston/The Washington Post

Warren Marik, a former CIA agent who helped run the failed campaign to end the regime of Saddam Hussein and foster democracy in Iraq.

Iran Nears Nuclear Arms, U.S. General Says

Compiled by Our Staff From Dispatches

WASHINGTON — Iran is moving closer to nuclear weapons capability and is likely to have such arms at or shortly after the turn of the century, the army general in command of U.S. forces in the Gulf said Thursday.

"I would predict to you that would be sometime at the turn of the century, in the near end of the turn of the century," General Binford Peay said.

He added that such capability could be delayed only by Tehran's ability to get fissionable material for nuclear arms.

General Peay, who heads the U.S. Central Command, declined to be more specific. But he also voiced concern that Iran's conventional buildup of submarines and cruise missiles might spark an accidental confrontation in the Gulf.

"I wouldn't want to put a date on it," he said of Iran's nuclear capability. "I don't know if it's 2010, 2007, 2003. I'm just saying that I think it's coming closer.

"Your instincts tell you that that's the kind of speed that they are moving on today across the board in their biological and chemical and nuclear and conventional fields." *(Reuters, AFP)*

France Says '97 Deficit Will Exceed 3% Limit

Compiled by Our Staff From Dispatches

PARIS — Finance Minister Dominique Strauss-Kahn said Thursday that the French public deficit in 1997 would exceed 3 percent of gross domestic product, the limit to qualify for the European Monetary Union.

His statement at a business conference was the first time a senior minister had stated clearly that France would not meet the strictest reading of the Maastricht Treaty budget criterion for joining the single currency.

Confusion deepens on plans for France Telecom. Page 13.

But he stressed that Paris was committed to joining a single European currency on time and vowed that the new Socialist government had no intention of letting the deficit run out of control.

"What I can see as clearly as everyone is that we are not at the 3 percent set out in the finance act," Mr. Strauss-Kahn said. "When you say you are not at 3 percent, that also means you are not at 3.1 percent either, but I cannot tell you how far we are beyond that."

"I have no intention, nor does the prime minister, of allowing any deficit to run out of control," he said.

On Tuesday, Mr. Strauss-Kahn laid some of the blame for the nation's budget problems on the previous government. He said an audit of public finances ordered by the new government was likely to show that the previous government worsened the deficit this year. Analysts said the audit would show that the deficit was well above the 3 percent target. The deficit was equivalent to 4.2 percent of GDP last year.

Prime Minister Lionel Jospin vowed to increase spending on housing and raise the minimum wage, but Mr. Strauss-Kahn said Tuesday that any spending increase would be offset by cuts. *(Reuters, Bloomberg)*

Lagos Imposes Its Will on West Africa

Continent's Most Populous Nation Flexes Military and Political Muscle

By Howard W. French
New York Times Service

MONROVIA, Liberia — Almost every day, huge Russian-built helicopters fly out of James Spriggs Payne Airport here, raising a deafening din as they ferry troops and artillery to Nigerian positions in neighboring Sierra Leone.

Off Sierra Leone's rainy coast, 250 miles (400 kilometers) to the east, frigates await orders from Abuja, the Nigerian capital, to shell the shore in the first exercise in gunboat diplomacy in post-independence Africa.

Nigeria has explained the operation as an effort to restore — by force, if necessary — Ahmad Tejan Kabbah, the democratically elected president of Sierra Leone, who was overthrown by junior army officers on May 25 in a wildly destructive coup.

Publicly at least, the action by Nigeria's military dictator, General Sani Abacha, has generally been applauded by other African states.

The military buildup in Sierra Leone more than 1,000 miles west of Nigeria, is one of many instances in which Nigeria, the most populous African state, has been flexing its muscles and extending its influence over a vast "neighborhood" that stretches from Mauritania to Equatorial Guinea.

In Gambia, Nigeria has maintained military advisers to assist a young president, recently converted to civilian life, who seized power as a captain in 1994. Nigeria, a major oil producer, subsidizes gasoline consumption in Chad, assuring itself strong influence over a long-unstable state.

In Benin and Niger, Nigeria brought uncooperative governments to their knees with the simple act of stopping or quietly slowing trade. And in Sierra Leone and Liberia, Nigeria has mounted full-blown military interventions that have shown it to be West Africa's lone power: a potentially rich nation of 105 million people with immense oil reserves and a large and capable army that boasts a unique combination of bluster and a sense of mission.

"As Nigeria struggles to impose its own style of order on smaller countries, many people are asking whether a military dictatorship renowned for its own disorganization and criminality is fit for the task.

"You won't ask me to believe that all of the operations they are undertaking are driven by a sense of noblesse oblige," said one senior West African diplomat. "Nigeria has always seen itself as rightfully dominating this region.

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AGENDA

Lights Out, as Rescue Is Readied for Mir

Short of electricity, the three men on the damaged Mir space station worked in the dark Thursday as ground crews prepared an emergency repair mission and Russian space officials acknowledged the station was nearing the end of its useful life. Page 10.

Senators Open Fire On Tobacco Deal

WASHINGTON (AFX) — Democrats on the Senate Judiciary Committee said tobacco companies must admit they lied about nicotine's addictiveness before Congress would support the tobacco deal. "I hope we will get the chief executive officers of tobacco companies up here to say: 'We know we lied about nicotine,' because until that happens, I don't think you'll get too many votes for the settlement," said Senator Joe Biden.

The Dollar

New York	Thursday @ 4 P.M.	previous close
DM	1.726	1.7233
Pound	1.6655	1.6633
Yen	113.17	113.80
FF	5.82	5.817

The Dow

	Thursday close	previous close
-35.73	7654.25	7689.98

S&P 500

change	Thursday @ 4 P.M.	previous close
-5.31	883.68	888.99

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Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1,600 CFA	Qatar	10.00 Rials
Egypt	E 5.50	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10.00 R.
Gabon	1100 CFA	Senegal	1,100 CFA
Italy	2,800 Lire	Spain	225 PTAS
Ivory Coast	1,250 CFA	Tunisia	1,250 Din
Jordan	1.250 JD	U.A.E.	10.00 Dirh
Kuwait	700 Fils	U.S. Mil. (Eur)	$1.20

AT&T

North Korea's Man in Macau / **A Rare Bond Issue**

For Pyongyang Debt, It's a Hard Sell

By Philip Segal
Special to the International Herald Tribune

MACAU — It is no doubt a measure of just how desperate North Korea has become for cash that Victor Cruz is in business at all and that he is doing it here.

Macau is, after all, something of a backwater in the world of international finance. The Portuguese colony is known more for gambling, prostitution and gangland slayings these days than for coordinating multimillion-dollar bond issues.

There are no vast trading floors jammed with computer screens here, no slick, preening masters of the universe peddling financial instruments to the world's wealthy.

There is just Mr. Cruz, a Portuguese agent for Pyongyang.

He is busily trying to sell 360 million Deutsche marks ($209 million) worth of government-backed debt, discounted 50 percent, for North Korea, as it edges toward mass starvation. A sale by Mr. Cruz would mark North Korea's first foray into the debt market in almost 20 years; it defaulted on its previous debt obligation.

The sales pitch for these bank guarantees is that the money will be used to buy hundreds of thousands of tons of urgently needed food and medicine.

His fund-raising, however, has left a lot of questions unanswered, especially given North Korea's patchy history of paying up.

Mr. Cruz, 54, is the first to acknowledge that doing business is not always easy when you represent a murky trading company in the world's most insular country. His day is a flurry of phone calls and faxes around the world, as he sends off sheaves of paper from North Korea's International Industrial Development Co. Ltd. or Indecol, showing that he is North Korea's sole fund-raising agent abroad.

Mr. Cruz recently explained his operation while consuming a quick lunch of two slices of pizza topped with Thousand Island dressing, crab and octopus, followed by a custard tart. He granted two lengthy interviews in his office above his wife's travel agency.

He spends seven days a week for months at a time at his desk, always ready to take calls from Pyongyang, the North Korean capital. He has had no buyers yet for the North Korean debt, he acknowledges, but says there are some just around the corner.

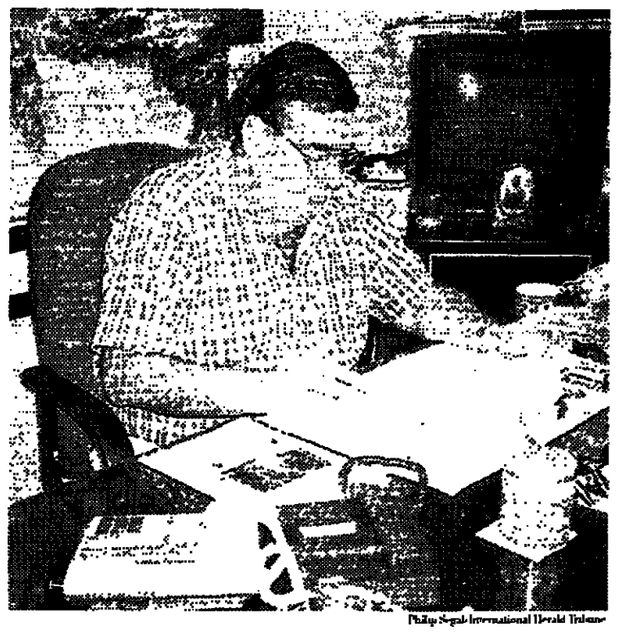
He says he has potential customers, whom he will not identify beyond saying that they are French and are ready to make their purchases through a French bank in Switzerland.

In the meantime, his wife's travel business makes ends meet, as Mr. Cruz helps her book planeloads of Chinese tourists for gambling junkets to Macau.

In Pyongyang, Hyun Chol answers the phone at Indecol headquarters, identifying himself as chairman of the trading company. "We are all one team," he says of Mr. Cruz. "Mr. Victor Cruz is very trustworthy."

Although Indecol is North Korea's paramount fund-raising organization, few experts on North Korea and no regional bankers said they knew much about it.

But a banker in Seoul who has contacts with Pyongyang said he had "no doubt" that these were genuine North Korean bank guarantees, "signed by the president of Koryo Bank," North Korea's trade bank.



Philip Segal-International Herald Tribune

There are no vast trading floors jammed with computer screens. There is just Mr. Cruz, an agent for Pyongyang.

The only Western analysts to have heard of Indecol say that it is not officially a North Korean company at all, despite Mr. Cruz's documents. Rather, they said, it is a Macau company with good links to various agencies in North Korea, although not the powerful ministry of defense.

"It may be part of an internal power struggle," one analyst said.

Whoever is behind Indecol in Pyongyang, it seems clear Mr. Cruz has good connections in North Korea. Western analysts say Indecol, wherever it is officially incorporated, has good connections to Pyongyang, and Mr. Cruz has good connections with Indecol.

Indecol's chairman, Mr. Cruz said, reports directly to President Kim Jong Il. Mr. Cruz said he speaks with the president twice a day and claims to have enormous influence over North Korean policy. "If I tell them open the border with the South tomorrow, they open the border," he said.

Mr. Cruz's path to the international bond markets has been an unconventional one, according to his account.

Since he unsuccessfully opposed the Portuguese revolution that overthrew the Salazar dictatorship in 1974, Mr. Cruz said, he has spent no more than three days in his homeland.

Before he arrived in Macau four years ago, he was based in Tunisia, where he says he carried out fund-raising activities on behalf of Iraq. While there, he converted to Islam and adopted the name Slim ben Amar.

His country of residence before Tunisia was Colombia. He declined to say what business he was engaged in there.

One of Mr. Cruz's reported relationships that was verifiable was his ongoing contacts with the U.S. Secret Service, which is charged with tracking down counterfeit currency. North Korea is thought to be a major source of bogus bills.

"Mr. Cruz has had dealings with the Secret Service, but due to the confidential nature of the dealings and ongoing investigations we can't comment," said the spokesman for the U.S. consulate in Hong Kong, Pat Corcoran.

Given this relationship with the Secret Service, a branch of the Treasury department, Mr. Cruz complains bitterly that his lawyer in the United States was denied a special license that he needed to work on a similar debt issue there.

Both he and his lawyer, Timothy Mackenzie of Los Angeles, said that there were parties interested in buying a similar series of bank guarantees last year.

The Treasury Department, which declined to comment on Mr. Cruz's case, has granted two U.S. companies licenses allowing barter trade with North Korea.

U.S. citizens are also allowed to finance humanitarian aid shipments to North Korea, subject to Commerce Department approval.

The problem facing investors is gauging the likelihood that Mr. Cruz's guarantees from Koryo Bank will be repaid. A 360 million DM issue, even discounted at 50 percent, "is very impressive for a bank that doesn't disclose its capital or assets," one regional banker said.

Aside from the unusual practice of trying to issue new debt from a country still in default on its older outstanding paper, there are a few things about Mr. Cruz's pitch that make it a hard sell.

As a start is his justification why potential investors would pay a premium for the new debt over debt already outstanding.

Mr. Cruz is offering his bank guarantees at 50 percent of face value, while North Korea's defaulted London Club debt trades at 40 cents on the dollar.

"In general, countries that are in default on London Club debt can't raise new money," said Jerome Booth, an analyst at ANZ Bank in London. "If he's got private buyers, there's not going to be any secondary market in that. It won't have any liquidity at all."

Defaulted North Korean debt trades in London and has actually doubled in price since the beginning of the year on hopes that South Korea might assume some of the North's liabilities.

Nuclear Force Eroding, Russian Warns Yeltsin

In Bitter Attack, Ex-General Rallies Officers

By David Hoffman
Washington Post Service

MOSCOW — A retired Russian general with a leading position in Parliament has warned President Boris Yeltsin in an open letter that Russia's strategic nuclear forces are heading for "extinction" because of lack of funds and maintenance.

He called on officers to organize themselves against the Kremlin's plans to curtail the military further.

The warning came in an extraordinarily bitter letter from Lev Rokhlin, the general who commanded Russian troops in the bloody December 1994 assault on Grozny, capital of Chechnya.

Mr. Rokhlin was later elected to the State Duma, the lower house of Parliament, where he is chairman of the Defense Committee and a member of the political faction known as Our Home Is Russia. This party was organized by high members of Mr. Yeltsin's government as a forum for campaigning in the 1995 Parliament elections.

"The strategic nuclear forces are destined for extinction," Mr. Rokhlin asserted in his letter, echoing a warning earlier this year by the defense minister at the time, Igor Rodionov, who was later dismissed by Mr. Yeltsin.

"At the present time, everything is being done to this end," Mr. Rokhlin added. "There is no financing for the work to extend the life of the missiles that are on combat duty and have exhausted their guaranteed term of service. The necessary funds are not allocated to work out new types of weapons."

When Mr. Rodionov issued his warning earlier this year, it was dismissed in Moscow and in Washington as a ploy to squeeze more money from the government.

But Western diplomatic sources said recently that they took the warnings seriously and believed the comments reflected a degradation of the Russian nuclear forces, both in vital command-and-control systems and in readiness and reliability.

Mr. Rokhlin is considered to be close to many of the top generals and he has often appeared as a spokesman for the military.

His letter was especially blunt in blaming Mr. Yeltsin personally for the long war in Chechnya as well as the armed forces' woes. He was equally harsh in calling on Russian officers to take matters into their own hands.

"You bear a personal responsibility for unleashing the war in Chechnya," Mr. Rokhlin wrote. "And having made a decision to use the troops, you then surrendered the army."

The letter went on: "Against mercenaries and mature men, you threw into the battle 18-year-olds, boys who had not held guns in their hands."

With clear disdain, Mr. Rokhlin accused Mr. Yeltsin of failing to uphold the Russian Constitution and of surrounding himself with greedy cronies who send Russia's riches abroad.

"You fooled the nation and the military, failing to fulfill your pre-election promises," he wrote, pointing to the plight of military veterans, invalids, officers and others who have not been paid for months.

"You have destined the armed forces to significant destruction," Mr. Rokhlin added, offering dire predictions — that the country may break up, with Siberia and the Far East seceding from the rest of Russia and that China or the United States will seek to exploit Russia's weaknesses.

Mr. Rokhlin's statements come at a time when pressure on the military is growing. A newspaper recently reported that more than 10 soldiers and officers die every day of causes unrelated to combat, including suicide.

There also has been an outbreak of mass killings around the country by berserk soldiers.

According to recent reports, a plan has been advanced to compress the military into a triad of forces — a combined land-sea conventional force, a strategic nuclear force and the air force.

Skipping Cambodia for Safety, Albright Extends Hanoi Visit

The Associated Press

HANOI — After canceling a visit to Cambodia because of security concerns, Secretary of State Madeleine Albright arrived here Thursday for her first visit to Vietnam.

She will hold talks with Vietnamese officials on human rights, American servicemen missing in action since the war and ways to expand trade and economic ties.

Mrs. Albright abruptly decided Wednesday not to visit Cambodia because of a firefight a week ago in Phnom Penh between the security forces of Cambodia's two rival prime ministers, Prince Norodom Ranariddh and Hun Sen. A rocket-propelled grenade hit the grounds of the U.S. Embassy during the fighting.

The secretary of state was to have spent two nights in Phnom Penh after leaving Vietnam. Her Asia trip will end Tuesday with a visit to Hong Kong, where she will witness the return of the British colony to Chinese rule. Now, she will lengthen her stay in Vietnam to two days and extend her stay in Hong Kong next week to three days.

En route to Hanoi, Mrs. Albright said the highest priority for the United States in its relations with Vietnam was to obtain an accounting of missing American servicemen.

As for the cancellation of the trip to Cambodia, the State Department spokesman, Nicholas Burns, said, "The security situation simply will not permit the kind of trip she wanted to have."

He said that "extraordinary security precautions" would have been required even for a short visit. The safety of Mrs. Albright had to be taken into account, as well as that of the 40 others who are accompanying her, Mr. Burns said.

He said Mrs. Albright had planned to urge the Cambodians to end the politically-inspired violence in Phnom Penh, to promote democratic and political reform and to bring to justice the Khmer Rouge leader, Pol Pot. He is reported to be in the custody of a mutinous faction in northern Cambodia.

Due to technical problems, we were unable to provide our regular fund quotations in the issue dated 26th June. We apologize for any inconvenience this may have caused.

Los Angeles Endorses Draconian Panhandling Bill

Los Angeles Times Service

LOS ANGELES — Despite protests from civil rights lawyers and support groups for the homeless, the Los Angeles City Council has endorsed one of the toughest panhandling measures in the United States — a bill that bans aggressive soliciting, including following, swearing, threatening or unwanted touching.

Civil libertarians and advocates for the homeless, however, said they were considering a suit to prevent the measure from becoming law.

The bill also bans all panhandling in such places as bus and subway stations, freeway divides, and near banks, automatic teller machines and restaurants.

The proposal was approved by an 8-to-4 vote. Because it did not receive the 12 votes necessary for immediate enactment, it will be put to a second council vote next week. Since only eight votes are required for passage on the second ballot, the bill is expected to be passed.

It will take effect 30 days after Mayor Richard Riordan signs it. Violation of the law would be punishable by a $50 fine for the first offense and a $500 fine and six months in jail for repeat offenses.

The mayor said the measure would improve the lives of residents who are constantly harassed by aggressive panhandlers. But critics said the text was constitutionally flawed because it was too vague.

In this Saturday's

MONEY

International Entrepreneurs

Practices and incentives around the world.

Herald International Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST
THE WORLD'S DAILY NEWSPAPER

TRAVEL UPDATE

Bonn Shuts Post in Central Africa

BONN (Reuters) — Germany on Thursday advised its citizens in the Central African Republic to leave the country after recent clashes between African peacekeepers and army mutineers that killed at least 80 people.

Earlier Thursday, Foreign Minister Klaus Kinkel ordered the German Embassy in Bangui to close temporarily.

Closure for Van Gogh Museum

AMSTERDAM (AP) — The Van Gogh Museum, one of Amsterdam's biggest tourist attractions, will shut its doors for eight months beginning in September 1998, while a new wing is built, officials said Thursday.

The original museum building will also be renovated.

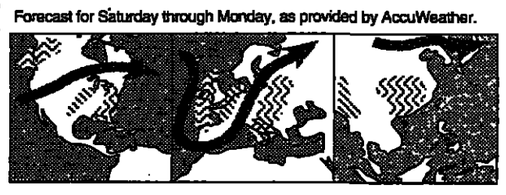
During the closure, a selection of Van Gogh paintings will be exhibited at the nearby Rijksmuseum, according to a museum press release. The museum attracts about a million visitors a year.

France's Socialist government Thursday left open the possibility of building a third airport for Paris. Transport Minister Jean-Louis Gayssot told the Senate that Orly airport to the south and Roissy-Charles de Gaulle to the north had reached saturation. A third airport, to the southwest, would cost 50 billion to 100 billion francs ($10-$20 billion). *(Reuters)*

Chinese rule over Hong Kong will not scare away tourists, a senior tourism official said Thursday. The authorities are launching a "Hong Kong 100 Days of Wonder" program to promote the city from July 1, after Britain hands its colony back to China, said Kent Hayden-Sadler, deputy executive director of the Hong Kong Tourist Association. *(Reuters)*

WEATHER

Forecast for Saturday through Monday, as provided by AccuWeather.



Jetstream · Unseasonably Cold · Unseasonably Mild · Heavy Rain · Heavy Snow

North America Sunny and nice in the Northeast Saturday, then hotter and more humid Sunday and Monday. Showers and heavy thunderstorms will affect much of the Plains Saturday through Monday. Dry and hot throughout the period in the Southwest, but cool and damp in the Pacific Northwest.

Europe Cloudy, damp and cool Saturday through Monday for much of western and central Europe with a gusty wind. London, Paris and Warsaw will have some rain and drizzle, but there will be some sun in Scotland and Ireland. Warm and dry from southern Italy to Romania northward into western Russia.

Asia Heavy rain and high winds are likely to affect much of Japan and the Koreas Saturday as Typhoon Peter heads northward. Dry and hot weather with sunshine will persist from Beijing westward into north central China, but more rain will affect south central China and Tibet.

Europe

	Today High	Today Low W C/F	Tomorrow High	Tomorrow Low W C/F
Algarve	22/71	12/53 pc	19/66	8/46 pc
Amsterdam	19/66	14/57 r	18/64	13/55 r
Ankara	26/79	11/52 sh	28/82	9/48 pc
Athens	29/84	21/70 s	31/88	23/73 s
Barcelona	20/68	13/55 s	17/62	12/53 r
Belgrade	32/89	18/64 s	34/93	22/71 s
Berlin	26/79	15/61 t	26/79	17/62 s
Brussels	18/64	13/55 r	18/64	11/52 r
Budapest	31/88	18/66 pc	34/93	22/71 pc
Copenhagen	22/71	17/62 r	23/73	14/57 pc
Costa Del Sol	23/73	13/55 pc	21/70	10/50 s
Dublin	14/57	9/48 c	17/62	11/52 sh
Edinburgh	14/57	9/48 c	17/62	11/52 sh
Florence	26/79	17/62 r	28/82	18/64 pc
Frankfurt	28/82	18/61 c	28/82	17/62 s
Geneva	19/66	9/48 pc	22/71	11/52 pc
Helsinki	19/66	10/50 pc	22/71	13/55 pc
Istanbul	28/82	18/64 s	29/84	19/66 s
Kiev	27/80	17/62 sh	27/80	16/64 pc
Las Palmas	23/73	18/64 s	23/73	18/64 s
Lisbon	20/68	10/50 s	18/64	8/46 pc
London	18/61	13/55 r	18/61	13/55 r
Madrid	28/79	7/44 s	24/75	8/43 pc
Mallorca	18/64	13/55 s	19/61	14/57 r
Milan	24/75	13/55 t	27/80	16/61 pc
Moscow	26/79	17/62 c	27/80	17/62 c
Munich	21/70	11/52 r	24/75	13/55 pc
Nice	21/70	14/57 pc	23/73	15/61 pc
Oslo	20/68	12/53 r	19/66	13/55 r
Paris	16/61	11/52 r	17/62	9/48 sh
Prague	26/79	13/55 c	26/79	16/61 pc
Reykjavik	16/61	9/48 r	13/55	11/52 pc
Riga	22/71	14/57 s	26/79	18/64 c
Rome	28/82	18/64 pc	26/79	19/66 r
St. Petersburg	21/70	12/53 s	23/73	14/57 pc
Stockholm	18/64	10/50 pc	19/66	14/57 sh
Strasbourg	20/68	11/52 pc	24/75	13/55 pc
Tallinn	19/66	11/52 pc	22/71	13/55 pc
Tbilisi	31/88	18/64 c	28/82	19/66 r
Venice	23/73	18/64 t	26/79	16/64 t
Vienna	27/80	18/64 c	28/82	19/66 c
Warsaw	27/80	17/62 pc	31/88	16/66 pc
Zurich	21/70	10/50 pc	24/75	13/55 pc

Middle East

Abu Dhabi	41/106	27/80 s	40/104	25/77 s
Beirut	23/73	17/62 s	24/75	19/66 s
Cairo	34/93	18/64 s	33/91	20/68 s
Damascus	26/79	12/53 s	29/84	14/57 s
Jerusalem	24/75	12/53 s	26/79	13/55 s
Luxor	43/109	18/66 s	43/109	19/66 s
Riyadh	43/109	29/78 s	43/109	29/79 s

North America

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Anchorage	25/77	12/53 s	23/73	12/53 pc
Atlanta	31/88	20/68 t	31/88	21/70 t
Boston	28/82	18/64 s	27/80	17/62 s
Chicago	31/88	18/64 s	32/89	18/64 pc
Dallas	34/93	22/71 pc	34/93	22/71 pc
Denver	33/91	13/55 t	32/89	14/57 t
Detroit	31/88	18/64 s	31/88	18/64 pc
Honolulu	29/84	23/73 r	31/88	22/71 sh
Houston	33/91	23/73 t	34/93	23/73 t
Los Angeles	26/79	16/61 pc	26/79	17/62 pc
Miami	31/88	24/75 t	31/88	24/75 t
Minneapolis	33/91	19/66 s	31/88	18/64 t
Montreal	26/79	13/63 s	27/80	18/64 pc
Nassau	31/88	23/73 s	31/88	23/73 pc
New York	29/84	18/64 s	29/84	20/68 s
Orlando	34/93	23/73 t	33/91	23/73 t
Phoenix	41/106	24/75 s	41/106	26/79 s
San Fran.	22/71	11/52 pc	20/68	12/53 pc
Seattle	20/68	11/52 sh	19/66	10/50 sh
Toronto	27/80	13/55 s	27/80	16/61 s
Vancouver	14/57	8/46 sh	16/61	7/44 sh
Washington	31/88	18/64 s	31/88	19/66 s

Asia

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Almaty	36/97	13/55 s	33/91	14/57 s
Bali	31/88	21/70 sh	31/88	21/70 c
Bangkok	33/89	24/75 sh	32/89	24/75 r
Beijing	36/97	21/70 s	35/95	22/71 s
Bombay	30/86	27/80 r	29/84	28/82 t
Calcutta	31/88	26/79 r	30/86	26/79 t
Chiang Mai	32/89	23/73 sh	32/89	22/71 t
Colombo	29/84	25/77 r	29/84	24/75 sh
Hanoi	32/89	27/80 c	31/88	27/80 c
Ho Chi Minh	33/85	24/75 r	31/88	23/73 r
Hong Kong	29/84	26/79 c	29/84	26/79 c
Islamabad	43/107	26/79 s	41/106	27/80 s
Jakarta	31/88	22/71 pc	31/88	23/73 pc
Karachi	39/102	28/84 s	37/98	28/82 s
K. Lumpur	33/89	23/73 pc	31/88	23/73 pc
K. Kinabalu	30/86	21/70 pc	31/88	22/71 pc
Manila	31/88	23/73 t	32/89	23/73 r
New Delhi	40/104	28/82 s	37/99	27/80 pc
Phnom Penh	32/89	23/73 t	31/88	23/73 t
Phuket	32/89	24/75 sh	32/89	24/75 r
Rangoon	32/89	24/75 sh	32/89	24/75 r
Seoul	28/82	23/73 t	29/84	19/66 pc
Shanghai	30/86	23/73 c	31/88	24/75 pc
Singapore	31/88	22/71 pc	31/88	23/73 pc
Taipei	31/88	24/75 c	32/89	24/75 pc
Tokyo	31/88	24/75 s	28/82	25/77 pc
Vientiane	31/88	26/79 c	31/88	27/80 c

Africa

Algiers	26/79	14/57 pc	24/75	12/53 pc
Cape Town	15/59	9/48 r	14/57	4/39 sh
Casablanca	19/66	12/53 pc	18/64	12/53 pc
Harare	26/79	13/55 pc	28/82	14/57 s
Lagos	29/84	23/73 c	29/84	23/73 c
Nairobi	24/75	13/55 c	26/79	13/55 sh
Tunis	33/91	22/71 c	31/88	21/70 pc

Latin America

Buenos Aires	4/39	-7/20 s	6/43	-5/23 pc
Caracas	25/84	24/75 t	25/84	24/75 t
Lima	22/71	16/61 pc	21/70	16/61 pc
Mexico City	26/79	12/53 c	23/73	12/53 c
Rio de Janeiro	28/82	18/64 s	22/71	13/55 c
Santiago	9/48	-3/27 s	10/50	-5/23 pc

Oceania

Auckland	11/52	5/41 s	12/53	6/43 s
Sydney	18/64	13/55 pc	18/64	14/57 r

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Court Critics See Risk To Religious Freedom

A Ruling Comes Under Vigorous Attack

By Laurie Goodstein
Washington Post Service

WASHINGTON — A coalition of religious groups that united four years ago to pass the Religious Freedom Restoration Act has reacted bitterly to the U.S. Supreme Court's decision to strike down the law and predicted a dire future without its protection.

In the aftermath of the ruling Wednesday, the coalition said it now envisions a nation in which prison inmates are prohibited from praying in Arabic, Sikh Little League players are required to remove their turbans, students who are evangelicals are obliged to attend classes on evolution and churches are forbidden by zoning laws to remodel or run soup kitchens.

Whether those predictions accurately reflect the ruling's potential impact is far from clear.

A group of state attorneys general had contended that they did not need the power of a federal law to protect religious liberties. And some legal experts cautioned that the ruling may not be as dire to religious practices as some activists claimed.

Douglas Kmiec, a law professor at the University of Notre Dame, noted that, under the legal standard still in place, any religious group that felt it was specifically targeted by state or local law could make a claim.

The controversy began in 1990 when the Supreme Court ruled in Employment Division v. Smith that American Indians had no constitutional right to take the hallucinogenic drug peyote as a religious sacrament. The court said anti-drug statutes that were neutral toward religion could be valid even if they impinged on someone's right to practice his or her faith.

In reaction, Congress passed the religious freedom law in 1993 under the principle that government should not inhibit believers from practicing their faith unless it can prove there were "*compelling*" *reasons for doing so.*

Since the law was enacted, Jehovah's Witnesses successfully sued in California over having to take a loyalty oath as a condition of their state employment; the Western Presbyterian Church in Washington prevailed in a struggle with zoning officials to keep open a homeless feeding program, and an American Indian prison guard won a lawsuit in New York State after he was disciplined for *refusing to cut his hair.*

But a city in Texas challenged the law's constitutionality when a church in town invoked it as it sought to enlarge its building in a neighborhood zoned for historic preservation.

On Wednesday, the court essentially said Congress had usurped the powers of the federal courts and the states when it enacted the law.

Some observers saw a decision that was less about religion than about Congressional authority.

The peyote case is important because, with the religious freedom law overturned, it becomes the guiding *legal* principle.

According to specialists on church-state issues, now only blatant and clearly bigoted attempts by state and local governments to discriminate against religious practices will be illegal. But such attempts are rare. More common, and more threatening, are laws that discriminate unintentionally, the specialists said.

"The Smith approach ignores the fact that people lose their rights just as surely by unintentional discrimination as they do by intentional discrimination," said Melissa Rogers, associate general counsel for the Baptist Joint Committee. "A Jewish schoolboy's right to wear a yarmulke is impaired as much by a rule banning all hats in school as it is by a rule that specifically prohibits yarmulkes."

The result will be reminiscent of the 1800s "when government went about persecuting the Mormons deliberately because of a neutral law" prohibiting polygamy, said Marc Stern, counsel for the American Jewish Congress, who wrote the brief submitted by the coalition of 75 groups in support of the law.

Zoning laws, landmark laws and environmental laws are all relatively new, and increasingly are applied to churches and religious institutions, he said.

The court's decision undoubtedly will supply new momentum to the drive to pass a constitutional amendment limiting government interference in religious activity.

"The court has once again acted to push religion to the fringes of society," said Senator Orrin Hatch, Republican of Utah, a primary author of the statute that was overturned.

"The Supreme Court has thrown down the gauntlet and we intend to pick it up."

Both Senator Edward Kennedy, Democrat of Massachusetts, and J. Brent Walker, general counsel for the Baptist Joint Committee, said they would be scouring the lower courts for another case to use as a vehicle to challenge the precedent the Supreme Court set in the peyote case.

Mr. Walker said another strategy was for states to enact laws protecting religious freedom.



L.M. Otero/The Associated Press

The Reverend Anthony Cummins, pastor of St. Peter the Apostle Church in Boerne, Texas, which invoked the religious freedom act after it was denied permission to build an addition.

Clinton Endorses Cleaner Air Rules

After Fierce Debate, He Backs EPA Drive on Soot and Smog

By John H. Cushman Jr.
New York Times Service

WASHINGTON — In one of the most important domestic environmental decisions of the decade, President Bill Clinton has approved significantly tighter pollution limits on deadly soot and choking smog, while offering states and cities substantial flexibility in deciding how to reach the new goals over the next 10 years and beyond.

Ending a fierce behind-the-scenes battle, Mr. Clinton sided with the head of the Environmental Protection Agency, Carol Browner, against the concerns of his economic advisers, who had balked in the face of industry complaints that the rules would cost far more than they were worth.

The White House put aside many of those economic concerns once Vice President Al Gore jumped into the fray last week, after a lobbying campaign by environmental groups, administration officials said Wednesday.

And in the end, Ms. Browner made relatively modest changes to the rule her agency proposed last November.

Announcing his decision in a speech in Tennessee, President Clinton cast it as an initiative to protect children, a favorite theme of his administration.

In this case, he cited especially the asthmatics who are most at risk from exposure to ozone and small particles of soot, two common pollutants caused by the burning of fossil fuels.

"I approved some very strong new regulations today that will be somewhat controversial, but I think kids ought to be healthy," Mr. Clinton said at a conference on families at which Vice President Gore was the host.

The administration's decision on air quality rules faced an enormous campaign of opposition by industry and determined support by environmentalists.

"The final product, I am delighted to say, is a major step forward for protecting the public health of the people of this country," said Ms. Browner, whose adamant defense of the proposals was described by her backers as courageous and principled, but by her detractors as stubborn and close-minded.

"These new standards will provide new health protections to 125 million Americans, including 35 million children."

She spoke at a White House briefing that included several officials who have argued for weeks over the rules.

Those millions of people, officials of the Environmental Protection Agency said, live in hundreds of counties that eventually will have to impose new pollution control measures to meet the new standards.

The Environmental Protection Agency has claimed, based on epidemiological studies, that 15,000 people die every year of exposure to these pollutants, especially the fine sooty particles. And the agency expects that hundreds of thousands of acute asthma attacks can be avoided each year, since smog often triggers breathing difficulties in children with the disease.

Under the Clean Air Act, the agency must set health-based standards for air quality without regard to expense.

States where the air violates the standards must then impose pollution controls that can cost industries billions of dollars and inconvenience motorists.

The drive to tighten standards touched off a massive lobbying campaign for two years, led by automakers, electric utilities, fuel suppliers and manufacturers.

Although the final rules are not quite as aggressive as the version that was first proposed, they are nonetheless a milestone in the long struggle against unhealthy air.

The last time the ozone standard was changed, nearly 20 years ago, it was weakened.

The tiniest particles of sooty chemicals, so small that they lodge deep in the lungs, were not controlled under the Clean Air Act before.

Kids! They're As Bad as You Thought

And Not Just Teenagers, Says Survey That Points a Finger at Parents

By Megan Rosenfeld
Washington Post Service

WASHINGTON — Children, especially teenagers, are increasingly lacking in moral and ethical values, according to a survey, and their parents are largely but not solely to blame.

The main problem is an absence of basics such as honesty, self-discipline and a work ethic, respondents said, and they did not think government programs could provide the remedy.

The survey, financed by the Ronald McDonald House Charities and the Advertising Council, was conducted by Public Agenda, a nonpartisan public opinion research organization in New York.

Acknowledging that the older generation has always thought that the young were doing poorly, the study's author, Steve Farkas, said that this research was particularly disturbing because adults now thought the consequences for the nation and for the children themselves were more dire.

He also said that the research showed that grown-ups believed problems begin at younger ages.

"It's no longer just teens in for this kind of criticism and disappointment, it's children age 5 and up," Mr. Farkas said Wednesday. Nearly all of the adults (81 percent) thought that being a parent today was harder than ever before.

Being a child is harder, too, according to 83 percent of the children surveyed. Adults had similar responses regardless of age, race, sex or economic or parental status.

Teenagers are "rude, irresponsible and wild" and have too much time on their hands, their elders said, and only a few are seen as "helpful" or "smart."

Teenagers themselves felt they were generally happy and had good relationships with the adults in their lives, but 41 percent of them said that they "see people using drugs or alcohol every day or almost every day."

Thirty-three percent said that there were no adults at home when they returned from school, and 6 in 10 said that other teenagers paid too much attention to their appearance.

But 65 percent of the teenagers surveyed said they got "a compliment or encouraging word from adults every day or almost every day."

Just as many reported that a belief in God was "an important part of my life."

Children younger than teenagers are seen by adults as spoiled and disrespectful, indulged with material goods by guilty parents who do not spend enough time with them and do not enforce basic standards.

Nearly a third thought "it's very common for children to be out of control in public areas such as restaurants or the movies."

Nearly all adults surveyed said that the value vacuum applied to children from all kinds of backgrounds, not just those considered to be "disadvantaged."

But if parents were generally blamed for this state of affairs, it was with sympathy and within the context of a world with failing public schools, spreading crime, degrading popular culture, demanding jobs and changing expectations.

Parents and teachers alike felt their authority had been undermined — sometimes by each other — and that the threat of legal action had severely diminished their ability to discipline children.

The findings were based on two telephone surveys, one of 2,000 randomly selected adults and the other of 600 children aged 12 to 17. In addition, researchers conducted six focus groups across the country and dozens of follow-up interviews. The margin of error was plus or minus 2 percent.

Clinton Sex Life Not Target, Prosecutor Says

New York Times Service

WASHINGTON — Kenneth Starr, the independent counsel investigating the Whitewater affair, has denied a published report that his office was examining the personal life of President Bill Clinton while he was governor of Arkansas.

In a statement, Mr. Starr called "incorrect" a Washington Post article that said he was investigating Mr. Clinton's sex life.

"Through experienced prosecutors and agents, this office has used and will continue to use well-accepted law-enforcement methods to gather and evaluate such facts," Mr. Starr said. "That process traditionally includes seeking to identify and examine witnesses with whom the subjects of this investigation have been associated, and who therefore may possess relevant factual information. We have no control over who those persons might or might not be."

President Dumps Olympic Champ for Donor

By Charles R. Babcock
Washington Post Service

WASHINGTON — President Bill Clinton's intention to appoint a California bodybuilder who gave $100,000 to the Democratic National Committee last year to the President's Council on Physical Fitness and Sports has run into a complication.

To make room on the 20-member council for Jake Steinfeld, the White House personnel director, Robert Nash, sent a letter early this month to Florence Griffith Joyner, co-chairwoman of the council and an Olympic champion, thanking her for her service and removing her from her post.

Mr. Steinfeld is also known as Body by Jake.

Ms. Griffith Joyner was not pleased. She said that she did not consider a letter from Mr. Nash to be adequate notice.

"I was appointed by the president and expect to be informed by the president," she said. "I'm very upset this action was taken without talking to me. As far as I am concerned I am still co-chair of the council."

The panel advises the president and the secretary of health and human services on ways to encourage Americans to be more physically fit. Members serve without pay at the pleasure of the president with no set terms.

Mr. Steinfeld had not been an active political donor until he gave $100,000 to the Democrats in four checks last August and September.

POLITICAL NOTES

A Balanced Budget by 2002?

WASHINGTON — Congress has approved sweeping *legislation intended to balance the federal budget for the* first time since 1969.

Versions of the bill passed by the House and Senate are different from each other in many significant details, however, and negotiators from the two chambers will now try to work out their differences and forge a compromise acceptable to President Bill Clinton.

Both bills would balance the budget by 2002, curb the growth of Medicare and Medicaid, spend $16 billion on health care for uninsured children and restore cash assistance for hundreds of thousands of legal immigrants that lost their benefits under the 1996 welfare law.

The votes ended years of wrangling over balancing the budget. *(NYT)*

A No-No on the Punditry Perch

WASHINGTON — When George Stephanopoulos signed on as an ABC News contributor, he said he saw no conflict between his political past and his new punditry perch.

But the terrain is trickier than the former White House aide thought. ABC told him he could not go ahead and host a fund-raising dinner Thursday for Ruth Messinger, a Democrat running for mayor of New York city. "I called George and said this is a no-no," said Richard Wald, ABC senior vice president. Anyone employed by ABC News "should not be in active support of electoral politics," he said. "He made a mistake." *(WP)*

Collecting Taxes for the People

WASHINGTON — A congressional commission has recommended that a wide range of changes be made in the Internal Revenue Service — from placing management in the hands of an independent board to moving the traditional April 15 filing deadline back a month or more.

If enacted, the recommendations would change the agency from "an enforcement bureaucracy to a customer-driven service organization," said Representative Rob Portman, Republican of Ohio, who was co-chairman of the panel with Senator Bob Kerrey, Democrat of Nebraska. But some officials in the Clinton administration oppose the recommendations. *(WP)*

Quote/Unquote

Defense Secretary William Cohen on the military's handling of sexual misconduct cases: "Are we going to say that anybody who has a single blemish in their private *life can never be confirmed for something, can never be* promoted? What kind of signal is that to send?" *(WP)*

Away From Politics

• **An obscenity-laced rock album** has been pulled off store shelves by Walt Disney Co., less than a week after its music division sent 100,000 copies to record stores. The decision to withdraw Insane Clown Posse's "The Great Malendo" comes a week after the Southern Baptist Convention voted to boycott the entertainment giant for what it called anti-family products and policies. *(AP)*

• **An armored car guard in Stroud, Oklahoma,** returned from a fast-food restaurant to find his partner gone, as much as $3 million missing, and a postcard hanging from the rearview mirror. "Is Paris nice this time of year? Oui. Bye," it read. *(AP)*

• **A Russian lesbian living in San Francisco** since 1992 can seek political asylum because of efforts by the Russian government to forcibly "cure" her of homosexuality, a federal appeals court has ruled. The decision overturned a 1995 ruling by the Board of Immigration Appeals denying asylum to Alla Pitcherskaia. *(NYT)*

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ASIA/PACIFIC

Heaven or Hell: Divergent Visions of Hong Kong's Future

By Velisarios Kattoulas
International Herald Tribune

HONG KONG — David Li and Lisa Mak could hardly be more different. Mr. Li heads the Bank of East Asia, and the way he tells it Hong Kong is a fairy tale city, thriving, safe and itching to make its mark on the 21st century.

Miss Mak sells toys for an American toy maker, shares a tiny apartment with four others and finds it hard to breath because of the city's dirty air. Listen to her and the Hong Kong fairy tale becomes more like a nightmare.

When China takes control of Hong Kong next week, it will absorb a metropolis with a deep split between its rich and its middle and working classes.

Britain's colonial rulers and Hong Kong's hard-driving entrepreneurs have applauded each other for turning this into one of the world's richest cities and fastest growing economies.

Yet for every person proud of Hong Kong's past successes, cashing in on its current prosperity and confident in its future, there is another who shares little of the happiness, wealth or optimism. To be sure, Hong Kong's middle and working classes have benefited from a half-century of dizzying economic growth. But they have also borne the brunt of its side effects, chronic housing shortages and debilitating air pollution, and few expect their lives to improve after Hong Kong returns to Chinese sovereignty at midnight Monday.

Recent polls underscore the split. One published this week by the Far Eastern Economic Review showed that more than 90 percent of business executives expect Hong Kong to continue to prosper after it returns to China. By contrast, a University of Hong Kong poll published in March found that only one in two people were confident Hong Kong would continue to thrive. Four in ten believe problems, including housing shortages and air pollution, have increased in the past three years.

The only issue on which there is common ground among the rich and the poor is on civil liberties. Both groups fear China will trample on agreements to preserve Hong Kong's liberties for 50 years, but they think it will have little impact on Hong Kong's role as a city dedicated to business.

"We benefit greatly from our economic ties with the mainland," Mr. Li, chairman and chief executive of the Bank of East Asia Ltd., said. "Under the 'one country, two systems' formula, the opportunities are set to multiply. Those opportunities are there for the whole world to take." He was referring to the agreement under which Hong Kong will return to Chinese sovereignty but remain largely independent for 50 years.

Mr. Li, also a member of the outgoing British Legislative Council and of the incoming provisional legislature that will replace it, has good reason to be confident. From his office in central Hong Kong and his home in the exclusive Peak district he has a dazzling view of the skyscrapers along the city's waterfront, beacons of its prosperity and future promise.

In contrast, Miss Mak shares a 300-square-foot (28-square-meter) apartment with her mother, father and two sisters. The view is of a concrete apartment block opposite and of a road below on which the rumble of traffic never fades.

Miss Mak, 25, sells toys for the Hong Kong arm of Mattel Inc., and takes home about 17,000 Hong Kong dollars ($2,200) a month, in line with average per capita income of $24,500 in 1996. But soaring real estate prices, which rose by more than one-third in 1996 and may well be the highest in the world, mean that she has no choice but to continue to share a bedroom with her two sisters, one 23, the other 27.

"The middle class like us cannot afford to buy apartments, never," she said. "We don't have any personal space and have different lifestyles. We end up fighting all the time."

Tung Chee-hwa, who will become Hong Kong's chief executive after its return to China on Tuesday, says housing is his top priority. He fears the high costs could deter foreign companies from investing here and that cramped living conditions could undermine local productivity. Aides have prepared a report on what might be done, but it has not yet been made public.

The government has said that the 150,000 people on waiting lists for public housing could wait for up to seven years. Moreover, Hong Kong has virtually no undeveloped land and its population is rising. Demand for apartments from wealthy Chinese from the mainland continues to outstrip supply, pushing prices ever higher.

Pollution is another of Miss Mak's concerns. She now says she finds it difficult to breath in the city, where layers of pollution are clearly visible. Hong Kong's 150,000 diesel-engined taxis, buses and trucks are the main culprits. Although emission rules exist, there is little in the way of enforcement and no regular emission and maintenance checks are required for cars.

There are no comprehensive statistics on the extent of the air pollution problem, but anecdotal evidence suggests that Hong Kong's children have been hit hardest. Some school nurses say as many has half the children they oversee have breathing difficulties.

Shieta Lui, 12, speaks in a wheezy voice you can barely hear. Two years ago, she became ill with a type of bronchitis her doctor said was caused by air pollution. It took nearly a year to clear and in the meantime she developed asthma.

In recent years, the government has boosted spending on the environment by 60 percent. But to boost trade, the Hong Kong government plans to double the size of the city's port, already the world's second largest, over the next 10 years.

As a result, the government expects the number of fume-belching trucks that serve the port to more than double and has forecast a 50 percent drop in air quality by 2011.

Chinese Dissident Beaten in Prison, His Family Says

Agence France-Presse

BEIJING — The family of China's best-known dissident, Wei Jingsheng, said Thursday that he had been severely beaten by other prison inmates.

"We went to see him on June 19. He told us he had been beaten up by his cell mates while prison authorities looked on indifferently," his sister, Wei Ling, said.

"He also told us it was not the first time this had happened to him, but that this time he was severely beaten up," she said.

Mr. Wei, 47, is serving a 14-year prison sentence in Tangshan, 120 kilometers (75 miles) east of Beijing.

The New York-based organization Human Rights in China said the inmates who beat Mr. Wei had been rewarded by having their sentences shortened.

That report could not be independently confirmed.

The prison authorities in Hebei Province, in which Tangshan is situated, declined to comment on the accusations Thursday.

Mr. Wei was arrested for the first time in March 1979 and later jailed for 15 years for calling for democracy and condemning Deng Xiaoping. Freed six months early in 1993, he was detained again in April 1994 and held in secret for 17 months before being jailed again for 14 years for subversion.

He is reported to be suffering from heart trouble.

Torture Accusations Cloud East Timor Rebel's Death

Compiled by Our Staff From Dispatches

JAKARTA — The second in command of East Timor rebels has been killed in a clash with Indonesian troops, a senior army officer said Thursday, but the circumstances of the death were in dispute.

Troops surrounded the rebel leader, David Alex, and five followers in the home of a villager Wednesday in the town of Baucau, 130 kilometers (80 miles) east of Dili, the East Timor capital. Mr. Alex was shot in the right thigh and hand in the ensuing firefight, said Colonel Slamet Sidabutar, the military commander in the former Portuguese colony where separatist rebels have been fighting Indonesian rule for 22 years.

In Lisbon, a rebel spokesman, Roque Rodrigues, claimed that Mr. Alex was only slightly wounded in the firefight and later died during torture at the Indonesian military hospital in Dili. He cited sources in Dili, but said they could not be identified because of fears for their safety.

Mr. Rodrigues's version was flatly denied by Colonel Sidabutar. "He was bleeding profusely, his arteries were severely damaged and we could not save his life," Colonel Sidabutar said in a telephone interview, referring to Mr. Alex. "We took him back by helicopter to the military hospital in Dili to save his life because we needed him to tell us about those still in the mountains.

"It's not true that he died while in custody, but he died while he was being treated and was receiving a blood transfusion," Colonel Sidabutar said.

Australian supporters of the rebel movement urged Australia's ambassador to Jakarta to begin an investigation into Mr. Alex's death. The ambassador, John McCarthy has been on a fact-finding mission in East Timor this week.

Amnesty International, the human-rights group, has said that torture or ill-treatment of political detainees in East Timor in both police and military custody was routine.

Colonel Sidabutar said Mr. Alex was first rushed to the general hospital in Baucau, which turned out not to have the facilities needed to treat him.

Colonel Sidabutar said the five people captured with Mr. Alex included a rebel who killed a soldier in Baucau last October and a student of the University of East Timor who was recruited by Mr. Alex last year.

Indonesia invaded East Timor in 1975 and annexed it the following year. Since then, it has been trying to curb sporadic independence activities.

Rebel activity has intensified since Indonesian national elections last month. According to estimates, as many as 42 soldiers, police, civilians and rebels have been killed in a series of attacks by rebels since May. Mr. Alex was the highest ranking East Timorese guerilla captured since 1992.

(AP, AFP, Reuters)



Jason Jin/Reuters

Members of the Democratic Alliance for the Betterment of Hong Kong demonstrating Thursday outside the colony's Legislative Council, urging the outgoing government to impose rent controls on public housing.

Legislature Appeals In Hong Kong for Greater Democracy

The Associated Press

HONG KONG — The legislature made a final plea Thursday for greater democracy after the territory reverts to Chinese sovereignty next week.

The legislature, which will be disbanded once the handover to China is official at midnight Monday, asked Beijing to amend the constitution it has written for post-colonial Hong Kong so that lawmakers and the chief executive can be elected widely.

But that is not likely. While China has said that the next election will be held within a year, the rules are expected to favor pro-Beijing candidates.

As what China calls "zero hour" approaches, the legislature and the unelected provisional body that will replace it have become a focal point for debate and dissent about the terms of the takeover.

The decision by the United States and Britain to send consuls to the swearing-in of the provisional legislature has enraged Hong Kong democrats.

They see it as endorsing a body set up by China that they regard as illegitimate.

Prime Minister Tony Blair of Britain and the U.S. secretary of state, Madeleine Albright, are skipping the swearing-in ceremonies to convey disapproval, but the U.S. consul, Richard Boucher, and his British counterpart, Francis Cornish, will attend.

The ceremony, Mr. Cornish said Thursday, "is about much more than the provisional legislature" because it will also inaugurate the chief executive, his cabinet and the judiciary.

"These are individual institutions which we support and which we want to work very closely with," he said.

Emily Lau, a legislator who is boycotting the new provisional body, called the U.S. and British decisions "disgusting and contemptible."

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7 Die in Philippines Abduction

COTABATO, Philippines — Muslim separatists kidnapped 60 bus passengers Thursday, but most escaped after the rebels were attacked by government troops. At least seven people died in the fighting.

The dead included two civilians, four rebels and an army officer, the military said.

Clashes have erupted recently in the worst fighting since the government and the rebel Moro Islamic Liberation Front began peace talks in January. The rebels are fighting for a separate Muslim state in the south.

Officials said about 150 rebels set up a roadblock in Maguindanao Province and seized 60 passengers from two buses. Government troops chased the rebels to the town of Kabacan in nearby North Cotabato Province, where the rebels blocked another highway before the battle ensued. The police said 41 hostages escaped. *(AP)*

India Opens Chemical Facilities

NEW DELHI — India opened its chemical weapons to international inspection for the first time Thursday, saying the monitoring would not compromise its security or hurt its chemicals industry. India was one of the original signatories of the Chemical Weapons Convention, which went into effect on April 29.

"Now that the convention has come into force which collectively aims to eliminate such weapons, India has declared without any reservation all such materials in stock, production and storage facilities, which will be open to international expert inspection at any time," the Foreign Ministry said. *(Reuters)*

Tokyo Protests Firing on Boat

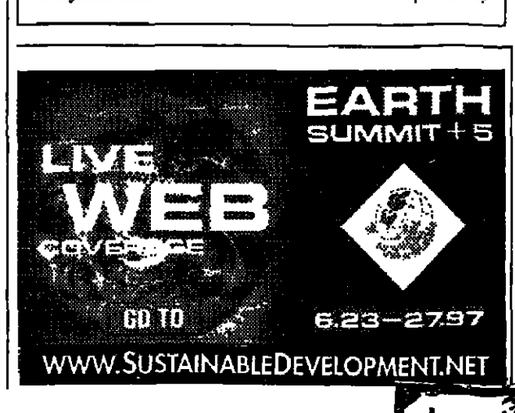
TOKYO — Japan demanded Thursday that Moscow investigate whether it was the Russian Coast Guard that shot two Japanese fisherman near the disputed Kuril Islands. "Shooting at an unarmed private fishing boat is intolerable under any circumstances," the Foreign Ministry said in a statement delivered to the Russian Embassy.

The 4.7-ton Eiko-maru No. 63 came under fire Wednesday night off the northern Habomai group of islets, which are controlled by Russia but claimed by Japan, a Foreign Ministry official said. Interfax quoted Russian border officials as saying that a Russian patrol had fired in the air. *(AP)*

Japan Hospital Meal Fells 58

TOKYO— Government officials said Thursday that 58 people at a hospital in western Japan had been infected with a strain of the E. coli bacteria responsible for a rash of food-poisoning deaths last year.

Those infected include 41 student nurses, 16 patients and one other staff member at Okayama Rosai Hospital, who all ate the same meal Monday, a city official in Okayama said. *(Reuters)*



Crackdown in Muslim Region

Chinese Authorities Arrest 40 for Religious Activity

Reuters

BEIJING — China has dismissed 260 local officials and cracked down on underground religious activities in a northwestern Muslim region where anti-Chinese riots in February left nine people dead, state media have said.

About 40 participants in "illegal religious activities" were arrested, the Xinjiang Daily reported in last Saturday's edition, which reached Beijing on Thursday. It gave no details.

"Illegal religious activities were cleaned up in Yili district, village by village, hamlet by hamlet," the paper said.

The clampdown affected 35 Communist Party bosses of villages and towns in the Yili district of the Xinjiang region, and 19 village mayors or factory managers, the paper said.

The authorities cracked down on underground religious activities, stopping the unauthorized construction or renovation of 133 mosques, the paper said.

Yili district, it said, "has dealt a blow to key ethnic separatists, violent terrorists and religious extremist leaders."

The authorities broke up 105 illegal classes teaching the Koran and dispersed 499 students, it said.

The police force was increased by 459 officers and the militias in villages were increased by 266, the paper said.

Five pro-independence school officials were dismissed, it said, adding that teachers would face dismissal for stirring up separatist sentiment.

Riots in Yili on Feb. 5, which began as demonstrations for Xinjiang independence, left 9 people dead and 198 injured. The authorities executed three rioters in April and police officers opened fire on a mob trying to rescue death-row convicts, killing two people.

Turkish-speaking militants of the ethnic Uighur minority want to set up an independent East Turkestan in Xinjiang.

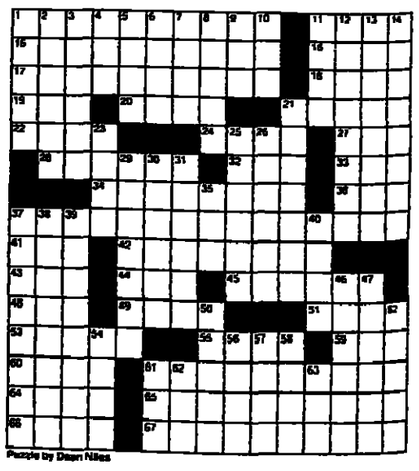
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57 1988 film "Rent-——"
58 "—— joy keep you", Sandburg
61 Show of support
62 Herb of grace
63 Keep time



Puzzle by Dean Niles

© New York Times/Edited by Will Shorts

Solution to Puzzle of June 26

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Amsterdam Treaty Scorned as 'Mediocre'

Even EU Leaders Concede Their Work Could Slow Growth Into East Europe

By Tom Buerkle
International Herald Tribune

BRUSSELS — Acknowledging harsh criticism of their just concluded Treaty of Amsterdam, some European Union leaders described their own handiwork on Thursday as a "mediocre" result that could delay the bloc's enlargement into Eastern Europe.

The treaty also faced a sudden challenge from Austria on Thursday when Foreign Minister Wolfgang Schuessel threatened to withhold his country's ratification of the document unless Austria was admitted to the so-called Schengen group of Continental countries, which have abolished common border controls.

The developments highlighted the soured political climate in Europe caused by a resurgence of old national rivalries and the mounting pressures of near-record unemployment.

The mood was underscored in an unusual display of candor by Wim Kok, the Dutch prime minister, who led the final treaty negotiations among EU leaders in Amsterdam last week.

Addressing the European Parliament here on the result, Mr. Kok heard members from all political parties criticize the treaty as lacking in ambition and failing to resolve key institutional issues of power-sharing and national vetoes, which already stymie EU decision-making in many instances.

"I can agree with all the criticism that was leveled here today," Mr. Kok replied. "This may sound pathetic but I am admitting it."

In failing to meet the leaders' self-declared goal of preparing the EU to take in former Warsaw Pact countries, Mr. Kok conceded, the treaty was "probably a faithful reflection of the extent to which the member states are willing to make reforms."

Jacques Santer, president of the European Commission, told the Parliament he was frustrated by the "mediocre" outcome of the treaty negotiations.

"I do not think this augurs well for enlargement," Mr. Santer said. "I do not want to see a situation whereby on the eve of enlargement we are forced to say to our future members, 'You have done everything to prepare yourselves for entering the EU. Unfortunately the EU hasn't been able to get ready to receive you.'" The two leaders did find praise for the treaty's modest accomplishments, including greater cooperation on employment policy and an extension of the European Parliament's legislative powers.

The latter step in particular was welcomed by members and appeared to ensure that they would ratify the treaty.

But the bleak assessment about enlargement foreshadowed a chilly meeting on Friday when Mr. Santer and Mr. Kok will meet with prime ministers from the 10 East European countries, Cyprus and Turkey to tell them what the new treaty means for their membership aspirations.

The commission next month will give its opinion on which countries are ready to open membership negotiations, and actual talks are supposed to begin in January.

In theory, the Amsterdam treaty allows as many as five new members to join the Union sometime after the year 2000.

But in practice, the open fight in Amsterdam between big and small countries over voting rights and opposition from Germany and others to any surrender of national veto power over immigration, borders and other sensitive policy areas, has cast serious doubt on the timetable.

Mr. Santer and Mr. Kok said those issues would have to be resolved before taking in new members, but they were unable to specify how EU countries would overcome their resistance to basic reforms.

Austria's border problem provided a timely example. For two years, the Vienna government has promised to enter the Schengen zone this October, allowing citizens to pass freely into Germany as one of the most-tangible benefits of EU membership.

But at a meeting of Schengen countries in Lisbon on Tuesday, German officials said they would consider only a gradual lifting of border controls beginning in 1998.

Bonn's real problem is not Austria but Italy, which is also knocking on the Schengen door, EU officials said.

Italy has been unable to control illegal immigration from North Africa and Albania, stirring fierce opposition in the German state of Bavaria to lifting of border controls, officials said.



Johnny Eggitt/Agence France-Presse

Britain's secretary for Northern Ireland, Marjorie Mowlam, saying Thursday that she would be holding talks with Protestants and Catholics about sectarian marches. But in a setback to Prime Minister Tony Blair's peace initiative, Peter Robinson warned that his Democratic Unionist Party would walk out of talks if Sinn Fein were allowed to attend.

Ahern Takes Over in Ireland

The Associated Press

DUBLIN — Bertie Ahern, the Fianna Fail leader known for his public charm and backroom cunning, was elected prime minister Thursday to head a vulnerable minority government.

The 45-year-old accountant will head a government along with his small coalition partner, the Progressive Democrats, led by Mary Harney.

Mr. Ahern won 85 votes in the 166-seat Dail, Ireland's key lawmaking chamber of Parliament, relying on critical support from three maverick lawmakers to get him over the 83 required for a majority.

Mr. Ahern also got a vote from Caoimhghin O Caolain, the first member of the modern Sinn Fein party ever to win and take his seat in the Dail. Mr. O Caolain said Mr. Ahern had "a positive disposition" toward helping his IRA-supporting party enter negotiations on the future of British-ruled Northern Ireland.

Mr. Ahern's Fianna Fail party, traditionally the largest in Irish politics, won 77 seats in the June 6 national election.

The three-party "rainbow coalition" of departing Prime Minister John Bruton fared too poorly for him to retain power.

Lawmakers had first rejected Mr. Bruton on a 75 to 87 vote. He was gracious in a defeat that he and everyone else saw coming.

Mr. Bruton said Mr. Ahern "brings to high office a personality that will help him, I know, in working with colleagues and conducting the business of government in a fair and decent way." He added, "I wish him exceptional good fortune in the job."

Mr. O Caolain was accompanied by the leaders of Sinn Fein, Gerry Adams and Martin McGuinness, who last month won two of Northern Ireland's 18 seats in the British Parliament. They watched events from the public gallery above.

Mr. Bruton's departing justice minister, Nora Owen, said she hoped Mr. O Caolain's direct participation in southern politics would encourage the Sinn Fein-IRA movement to call a "permanent" cease-fire as the price for participating in democracy.

She noted that the IRA had not killed anyone in the run-up to the vote, but then killed two Protestant policemen on June 16.

"Caoimhghin O Caolain wouldn't have his seat today if those murders had been carried out before the election," Miss Owen said. "We do want people to take their place in democratic politics. But they now cannot say they are not part of the system."

Mr. Ahern headed across town for the official Phoenix Park residence of President Mary Robinson for official recognition as Ireland's new "taoiseach," the formal title for prime minister that means "chief" in Gaelic. A debate on Mr. Ahern's cabinet appointees was expected to follow.

Mr. Ahern will need all his diplomat's skills to manage his minority government, which includes four members of the rightist Progressive Democrats, whose leader, Ms. Harney, is expected to be appointed deputy prime minister.

It also will require support in close votes from at least two of the independents who voted Thursday for Mr. Ahern.

BRIEFLY

Turks Shape Secular Cabinet

ANKARA — A Turkish secularist government began to take shape Thursday, although it still lacking the parliamentary strength needed to prevent pro-Islamist opponents killing it off at birth.

Mesut Yilmaz, the prime minister-designate, said he had appointed Bulent Ecevit, a staunchly anti-Islamist politician, as his deputy and had received presidential backing for his left-right alliance.

"The president told me he would approve a government with the support of four parties," he said at a press conference. Mr. Yilmaz, leader of the Motherland Party, has the backing of three other party leaders.

He is to present a cabinet list next week to President Suleyman Demirel, who has to approve it for Mr. Yilmaz to go to a confidence vote in Parliament. *(Reuters)*

McDonald's Buys British Beef

LONDON — McDonald's lifted its 15-month ban on British beef Thursday and said that consumer research indicated that its customers appeared to be overcoming fears of "mad cow" disease.

"We will begin buying British beef immediately and the new supplies will start to be served in restaurants over the next few weeks," the chain's managing director, Andrew Taylor, said after meeting with Agriculture Minister Jack Cunningham. McDonald's has 760 outlets in Britain.

McDonald's, which had been spending more than £22.5 million ($37.5 million) a year on British beef, stopped using it in March 1996 after the government announced a possible connection between a fatal brain disease in humans and meat from cows infected with bovine spongiform encephalopathy. *(AP)*

Notre Dame Rite for Cousteau

PARIS — A funeral service for Jacques-Yves Cousteau will be held Monday in Notre Dame Cathedral and the underwater explorer, who died Wednesday in Paris at age 87, will be buried in his native Bordeaux region.

President Jacques Chirac of France said he would attend the funeral, and tributes poured in from heads of state as well as from children around the world, according to Francine Cousteau, the oceanographer's widow.

President Bill Clinton hailed Mr. Cousteau as a man of "rare insight and extraordinary spirit" who "enabled mankind to truly become part of the sea and the creatures that live there" by helping to invent scuba gear and creating the first one-person submarine. *(Reuters)*

U.S. Church Loses in Germany

BERLIN — A German court ruled Thursday that the Church of the Jehovah's Witnesses would not be granted the status of a public body because it forbids its members from taking part in political elections.

Public body status would have allowed the U.S.-founded Christian sect to benefit from centrally collected tax revenues, to conduct prison visits and to demand representation on the advisory panels of broadcasters.

The Federal Administrative Court ruled that the church's refusal to acknowledge public elections meant it could not be viewed as showing sufficient support for the German state for it to receive full recognition.

The church has been established in Germany for about 100 years and it claims to have a German membership of more than 190,000. *(Reuters)*

Albania Set to Vote Despite Violence

By Jonathan C. Randal
Washington Post Service

TIRANA, Albania — Sporadic violence has erupted again in southern Albania as this volatile nation prepares for Sunday's parliamentary elections, a vote designed to return stability to Europe's poorest country after four months of anarchy.

Albanians and Western officials helping to organize the elections say they are intent on keeping the vote on track despite the outbreak of factional fighting in the southern port of Vlore.

[Albania's chaotic south slid deeper into anarchy on Thursday as the country's finance minister narrowly escaped from a gunbattle in Vlore, Reuters reported.

[Arben Malaj was forced to take shelter in a nearby seaside hotel after rival warlords exchanged gunfire during an election rally held in the town's dilapidated sports palace, which was later set on fire. A statement by the Italian-led international protection force said two platoons and two armored personnel carriers were dispatched to evacuate civilians from the smoldering building.]

The determination to go ahead with the elections reflects a sense of fragile confidence gained gradually as Albania has moved from wholesale chaos toward Sunday's ballot. That confidence has been shored up lately as the International Monetary Fund and World Bank moved to instigate financial stabilization measures here, while competing political factions reached agreement on government checks and balances and voting procedures.

But in this notoriously unpredictable Balkan country such progress could easily dissolve. In fact, the country's 3 million inhabitants seem to be holding their breaths until the final votes are counted: that, according to diplomats and analysts here, is when disappointed partisans of either President Sali Berisha or his Socialist rival, Fatos Nano, may decide to resume hostilities.

Equally worried are the Italian military commanders leading the nine-nation, 7,500-member peacekeeping force here, as well as officials of the 54-nation Organization for Security and Cooperation in Europe, which is monitoring the elections. Albania, with its legacy of 500 years of Ottoman rule, a half-century of eccentric Stalinist communism and a tradition of vendettas, "is not a gentle land," said a Western official here. "Even if the election comes off fairly smoothly, what happens after is going to be much more difficult."

That is political shorthand for concern that Albania may be heading straight toward renewed large-scale violence, and even civil war, if Mr. Berisha's Democrats defy the odds and win the election fairly or claim victory through fraud, as their adversaries fear.

Both sides predict outright victory, the Democrats claiming "more than 50 percent" of the electorate, and Mr. Nano's Socialists declaring they are sure of "all but 10 to 15 percent" of the vote. Political rallies, often sparsely attended for fear of violence, typically have been occasions for little more than sloganeering and accusations of wrongdoing by the opposing side.

Tensions boiled over this week in Vlore. It was in that city that thousands of anti-Berisha Albanians, angered by the collapse of government-condoned get-rich-quick schemes, sparked the violence that engulfed the country in March.

But unlike the random, countrywide banditry of those weeks, the new violence in Vlore appears to be unmistakably political.

One armed faction with indirect ties to Mr. Berisha's party put up posters warning residents to leave their homes in the city.

Such efforts to prevent anti-Berisha southerners from voting are taking place in plain view of troops of the Italian-led peacekeeping force, which has defined its mission largely as providing protective cover for the distribution of international humanitarian aid.

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1997 • PARIS EUROPLACE INTERNATIONAL FINANCIAL FORUM

TUESDAY, JULY 8 - MORNING

OPENING ADDRESS
ERNEST-ANTOINE SEILLIÈRE, *Chairman, Paris EUROPLACE*

THE SCENARIO FOR THE SWITCHOVER TO THE SINGLE CURRENCY
JEAN-CLAUDE TRICHET, *Governor, Banque de France*

ROUND TABLE - THE NEW OFFERINGS OF THE PARIS FINANCIAL MARKETS WITH THE EURO
JEAN LEMIERRE, *Director, French Treasury*
GÉRARD PFAUWADEL, *Chairman and CEO, Matif SA*
ROSEMARY SAGAR, *Managing Director, US Trust Company of New York*
IAIN SAUNDERS, *Deputy Chairman, Robert Fleming Asset Management Ltd*
JEAN-FRANÇOIS THÉODORE, *Chairman and CEO, SBF-Paris Bourse*

ROUND TABLE - EMU: PLAYERS GET READY
Panel:
JACQUES CREYSSEL, *General Manager, CNPF*
ALAIN LECLAIR, *Chairman, AFG-ASFFI*
PIERRE SIMON, *General Manager, AFECEI*
Moderator:
Karen Horn, Correspondent, Frankfurter Allgemeine Zeitung

ROUND TABLE - FRENCH FINANCIAL MARKETS ADAPTED TO INTERNATIONAL STANDARDS
Panel:
ANDREW CLEARFIELD, *Vice President, TIAA-CREF*
BERTRAND COLLOMB, *Chairman, Lafarge*
JEAN-RENÉ FOURTOU, *Chairman and CEO, Rhône-Poulenc*
GÉRARD DE LA MARTINIÈRE, *Senior Executive, Vice President, AXA-UAP*
ROBIN RENWICK, *Holding Board Director, Robert Fleming Asset Management Ltd*
Moderator:
Jonathan Gage, Business and Finance Editor, International Herald Tribune

LUNCH
Address by DOMINIQUE STRAUSS-KAHN, *French Minister of Economy and Finance*

TUESDAY, JULY 8 - AFTERNOON

PRESENTATION OF BANKS
PHILIPPE BORDENAVE, *General Manager, Market Operations Department, BNP*
HENRI CUKIERMAN, *Chairman, CPR*
SAMI GOTRANE, *Financial Analyst, EIFB*
MARC POLI, *Chief of Capital Markets Department, Crédit Lyonnais*
HERVÉ SAINT-SAUVEUR, *CFO, Société Générale*

VENTURE CAPITAL
WALTER BUTLER, *Chairman, Butler Capital Partners*
EMMANUEL HARLÉ, *Managing Director, Morgan Grenfell Investment*
ERIC LICOYS, *Chairman, AFIC*
PATRICK POUPON, *Chairman and CEO, Natwest Securities France*

THE IMPACT OF GLOBALIZATION ON INSURANCE COMPANIES
LOIS FUCHS, *Allied Signal*
ORIO GIARINI, *Secretary General, the Geneva Association*
EBERHARD KNEBEL, *Bayerische Wirtschaftsagentur*
JEAN-HERVÉ LORENZI, *General Manager, Gras Savoye*
CHRISTIAN ROCHETEAU, *Chairman and CEO, AON France*

PRESENTATION OF REAL ESTATE BUSINESSES
ALAIN BENON, *CEO, Unibail*
ALEC EMMOTT, *Chairman Adviser, Foncière Lyonnaise*
JEAN-PIERRE PLATZER, *CEO, Silic*
PHILIPPE TANNENBAUM, *Financial Analyst, CPR Finance*

DEBATE WITH INSURERS AND REINSURERS
JEAN ARVIS, *Chairman, Fédération Française des Sociétés d'Assurances*
DOMINIQUE BAZY, *Chairman, Allianz Assurances*
PIERRE-DENIS CHAMPVILLARD, *General Manager, Scor Re*
GUY LALLOUR, *Manager, Commercial Lines International Development Division, AGF*
CHARLES-FRANÇOIS WALCKENAER, *Chairman and CEO, Axa Global Risks*

WEDNESDAY, JULY 9 - MORNING

ROUND TABLE - THE FRENCH ECONOMY IN VIEW OF EMU
PATRICK ARTUS, *Chief Economist, Caisse des Dépôts et Consignations*
JOHN LLEWELLYN-LLOYD, *Global Chief Economist, Lehman Brothers*

PRESENTATION OF PHARMACEUTICAL BUSINESSES
PASCAL BRANDYS, *CEO, Genset*
IAN BROADHURST, *Financial Analyst, BNP Equities*
IGOR LANDAU, *President, Rhône-Poulenc*
MAX ROMBI, *CEO, Arkopharma*

THE BOND MARKET SWITCHOVER TO THE EURO
SERGE HARRY, *Secretary General, Sicovam SA*
DOMINIQUE HOENN, *Member of the Board, Banque Paribas*
NICOLAS JACHIET, *Assistant Director of Monetary and Banking Affairs, French Treasury*
ELISABETH PAULY, *Head of Capital Markets Division, Banque de France*

PRESENTATION OF TELECOMMUNICATIONS, ELECTRICAL AND ELECTRONICS BUSINESSES
CLAUDE COCOZZA, *Chairman and CEO, Carbone Lorraine*
PIERRE DAUVILLAIRE, *Group Executive Vice President, France Télécom*
FRANÇOIS GRAPPOTTE, *Chairman and CEO, Legrand*
FRANÇOIS TRAVAILLÉ, *Financial Analyst, BNP Equities*

THE ATTRACTIVENESS OF FRENCH TREASURY SECURITIES WITH THE ADVENT OF THE EURO (CASH, REPO AND DERIVATIVES)
JURGEN BRUECKNER, *Senior Portfolio Manager, Deutsche Bank Asset Management*
JEAN-DANIEL COHEN, *President of the Executive Board, Louis Dreyfus Finance*
JEAN-FRANÇOIS CONIL-LACOSTE, *London Office Managing Director, Matif SA*
PHILIPPE GUYOT, *Head of Fixed Income, CDC Marchés*
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PHILIPPE LESPINARD, *Partner, Fischer Francis Trees & Watts*

WEDNESDAY, JULY 9 - AFTERNOON

PRESENTATION OF MULTIMEDIA BUSINESSES
BRUNO BONNELL, *President and CEO, Infogrames Entertainment*
HERVÉ CAEN, *Chairman, Titus Interactive*
YVES GUILLEMOT, *President, Ubi Soft Entertainment*
LAURENT MAIROT, *Financial Analyst, Ferri*

PRESENTATION OF DEBT INSTRUMENT ISSUERS
JACQUES BELLUT, *Head of Capital Markets, Crédit Local de France*
JEAN-CLAUDE BRESSON, *Deputy Director Capital Markets, Banque Européenne d'Investissement*
FEDERICO FERRER DELSO, *Deputy Head, Spanish Treasury*
THIERRY POIREL, *Financial Director, Fonds de Développement Social du Conseil de l'Europe*

SUCCESS STORIES OF THE NOUVEAU MARCHÉ
DOMINIQUE LEBLANC, *Deputy General Manager, Société du Nouveau Marché*
JEAN-PIERRE RENAULT, *CFO, Picogiga*
JACQUES ROUVROY, *Chairman and CEO, Belvédère*
BRUNO VANRYB, *Chairman and CEO, BVRP Software*

SECURITIZATION
NICOLAS DAGOGNET, *Deputy Head of International Securitization, Société Générale*
CATHERINE GERST, *Vice President, Senior Analyst, Moody's France*
SERGE MARLÉ, *Country Manager, FGIC*
DENIS WALLERICH, *Head of Securitization, Compagnie Bancaire*

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Herald International Tribune

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If Kabila Wants Help

The coming days will show what kind of ruler Congo's new president, Laurent Kabila, is likely to be. A United Nations team has arrived in the country to investigate reported massacres by Mr. Kabila's troops earlier this year. If Congolese officials cooperate with the investigation, as Mr. Kabila has assured the Clinton administration they will, Washington can put some faith in the new leader's other promises. These include an end to corruption, respect for human rights and eventual democratic elections.

If Mr. Kabila lets his lieutenants obstruct the investigation by denying the United Nations independent access to people and places, Washington should suspend the tentative support and promises of assistance it has offered the new government.

Mr. Kabila initially stirred high hopes by promising clean and law-abiding government after decades of corruption and brutality under his predecessor, Mobutu Sese Seko. But since he took full charge of Congo last month, disturbing reports of arbitrary rule and military brutality have emerged. These include credible accounts that Mr. Kabila's troops massacred thousands of Hutu refugees.

Earlier this month, President Bill Clinton offered Mr. Kabila assistance in improving health and education, and American advice on planning a market economy and democratic elections. But Mr. Clinton's emissary, Bill Richardson, who is also Washington's UN delegate, made clear that American help depended on whether Mr. Kabila addressed human rights and refugee concerns and how quickly he moved toward democracy.

Last weekend a UN advance team arrived in Congo to establish ground rules for the investigation into the reported refugee massacres. The tone of its first meetings with Congolese officials has been cooperative. But specific details remain to be worked out.

Mr. Kabila must make sure that when a full UN team starts work it is free to interview people and conduct forensic tests in the areas where massacres may have taken place. Any soldiers found to have participated in massacres must be promptly prosecuted. Mr. Kabila must also see that UN refugee workers and the Red Cross are allowed access to all remaining refugees. He needs to start delivering on the humanitarian agenda raised by Mr. Richardson if he wants continued American support.

— THE NEW YORK TIMES.

What's Libel Where?

Everybody talks about the global market and the rise of the global brand name, but some things remain stubbornly different from place to place, among them libel laws. That is the main message of the bizarre saga that came to an end last week in London, when McDonald's finally triumphed after spending most of a decade and $26 million on a libel action against two anti-McDonald's pamphleteers.

The company declared itself satisfied that it had defended its good name against Dave Morris and Helen Steel, who had distributed leaflets accusing the burger chain of cultural imperialism, rain forest destruction, discrimination, food poisoning and many other unsavory things. McDonald's seemed not to mind the price tag, nor the vast attention it attracted to the charges against it as the case rose gradually to the level of hit international theater.

Although funny, the tale has its serious side. Galloping international commerce and instant worldwide communications increasingly bring citizens of one nation into contact and sometimes conflict with other nations' laws. Once rare enough to be handled by treaties and embassies, this kind of collision is now close to commonplace. If you are an individual citizen of a single country, and a defendant — say, an American whose Web page has drawn the ire of foreign regulators — this can mean big trouble. On the other hand, if you are a multinational company, and a plaintiff, such as McDonald's, it can mean the opportunity for what amounts to an exotic form of legal venue-shopping. If slanging McDonald's in print were grounds for an action of libel in the United States, we can think of whole academic disciplines that would be forced to shut up shop, not to mention nutritionists and those folks who keep describing all your favorite foods as containing "the equivalent of six Big Macs" in calories or fat.

But there are other reasons to be mindful of the great difference, emphasized by this case, between American free speech guarantees and the kind of constraints inherent in British libel law — in which corporations can sue individuals for defamation, and believing a statement to be true is no defense against a finding of libel if a judge rules that it was false.

The years-long London spectacle offered a demonstration of the benefits of the American brand of free speech absolutism to economic efficiency (not that American courts don't have their own problems in that regard). But it also shows the geographic boundaries of that much-taken-for-granted American right to criticize. As international distances get smaller and international companies get bigger, it is going to be harder and harder to predict what kind of rules those companies and their customers will be playing under on the inevitable occasions when they clash.

— THE WASHINGTON POST.

Religion and the Law

In one of the most far-reaching decisions of this term, the Supreme Court on Wednesday struck down as an unconstitutional exercise of congressional power the Religious Freedom Restoration Act of 1993, which had broad public support in religious communities. The 1993 act was itself a response to a 1990 court ruling involving the religious use of peyote. That ruling had bolstered the power of states to enforce laws applying to everyone — zoning, drug control, taxes, prison regulations and the like — that might incidentally burden religious conduct.

To have ruled otherwise, the court said at that time, "would have produced an anomaly in the law, a constitutional right to ignore neutral laws of general applicability." Congress responded with the act, which in effect changed the meaning of the free-exercise clause of the First Amendment and restricted the power of the states.

The case the court decided this week started out as a zoning matter in which the Catholic archbishop of San Antonio challenged the right of the city of Boerne, Texas, to deny a building permit for a church in an area designated for historic preservation. But it became a much broader controversy almost immediately. The District Court judge went beyond the facts at issue and declared the entire act unconstitutional. The Supreme Court now agrees.

In recent years, Congress has tended to respond to every perceived problem with legislation. Without much thought about the relationship between federal and state responsibilities, federal legislators want to regulate street crime, domestic violence and all kinds of activities that traditionally and constitutionally have been left to the states. The Supreme Court has begun to crack down on this expansionism.

In this case, however, the problem is not between the federal government and the states but between two of the three branches of the federal government. Here the court is saying that the power to interpret the constitution, to say what the free-exercise clause allows and what it prohibits, belongs to the courts, not the legislature. Congress cannot therefore overturn a Supreme Court ruling on a constitutional matter simply by passing a law.

This opinion will be unpopular. Religious groups want to be free of some of the often burdensome laws and regulations that states impose on everyone, and they believe that the constitution gives them that right. These groups are well organized and will be heard.

But the court's view is not unreasonable. The constitution divides the government's power, and the courts have the responsibility to keep those lines clear. One effect of the broad ruling is invalidation of RFRA. But in light of Justice John Paul Stevens's concurring reminder that the act granted preferences to religious groups that were unavailable to nonbelievers, the result is not unfair.

— THE WASHINGTON POST.

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The West Looks Away as Albania Disintegrates

By Misha Glenny

TIRANA, Albania — As the nightly curfew descends upon Tirana, the silence is broken by gunshots that soon develop into a cacophonous symphony played on Italian handguns, Chinese-made anti-aircraft weapons and everything in between.

The next morning, a dog scavenging for food is hit by one of the Mercedes that cruise the city's streets, Kalashnikovs hanging out the windows. The poor beast drags itself to the side of the road, squealing in anguish and terror.

None of the gun-toting men who have stopped to sip coffee nearby have the presence of mind or the energy to put the animal out of its misery. It is left to live its last few hours beside stinking garbage in excruciating pain.

Albania is not yet dead, but it is in agony. In parts of the country, the state has suffered what Albanians themselves are calling "meltdown."

In Vlore, the so-called rebel capital, three armed gangs fighting for the proceeds of drugs and gun smuggling have made themselves fat with weaponry and inhumanity. Their bloodthirsty competitiveness keeps the civilian population in a permanent state of terror.

In areas where President Sali Berisha's police are in control, Mercedes cars, Rolex watches and burgeoning shantytowns mark the obscene gulf between rich and poor. Politicians threaten each other with vengeance.

At least 1,500 people have been killed in political violence in the last three months. Every day during the current election campaign, more die. In this atmosphere of fear, the notion that Sunday's elections can be either free or fair is preposterous.

In central Albania, the Italian-led peacekeeping force has declared two industrial centers, Cerrik and Gramsh, too dangerous to enter. No peacekeeping force, no election observers.

In the remote northeast, where Mr. Berisha's Socialist opponents fear to tread, the Organization for Security and Cooperation in Europe has been forced to leave large gaps in its election monitoring work.

There are signs that the European Union is again proving hopelessly inadequate in its own backyard.

The OSCE is trying valiantly to salvage something from this disaster zone, but it has insufficient time and inadequate resources. It will have 450 observers at its disposal on Sunday to patrol 4,900 polling booths.

The 6,000 peacekeeping troops have been given a mandate by the UN Security Council that is so vague that soldiers are forced to sit and look on as the country disintegrates.

Mr. Berisha and his supporters contend that the destabilization has been engineered by a demonic coalition of Communists, gangsters and unnamed foreign intelligence agencies. But Mr. Berisha and his party have been running the country with virtually limitless power for five years.

For the first three years of his rule, he received extensive diplomatic support from the United States. The Americans have now wisely distanced themselves from him, but he still enjoys considerable European backing, particularly in Italy but also in Austria and Germany.

This week he and the Socialists have been bickering over legislation to control the kinds of pyramid investment schemes that led to the chaos. The collapse of five such pyramids this year provoked widespread violence and wiped out an estimated $1.2 billion of Albanians' savings.

The pyramid frenzy opened a large gap between haves and have-nots. In a country where there were no private cars until six years ago, thousands of Mercedes, castoffs from Europe's taxi ranks and vehicle-theft industry, stud Tirana's streets. Gangsters have seized upon the disruption, helping to create what a former official called "an economic miasma."

Taxes and customs duties are no longer collected. In the unlikely event that the elections confer some stability, it will take months of rigorous reform to establish coherent economic and administrative institutions.

The situation has been complicated by the uneven response of the international community. The current American position of critical neutrality is without question preferable to the thinly disguised support that the United States once gave Mr. Berisha.

There are signs that the European Union is again proving hopelessly inadequate at dealing with a crisis in its own backyard. Some countries, like Britain, show not the slightest interest in this problem on Europe's southern tier.

Prime Minister Tony Blair has declared that next year's summit of the industrial democracies should focus on organized crime. Albania has become a fertile killing field, plowed and harvested by the most ruthless criminal organizations on the Continent. Italy and Greece are seriously engaged in Albania, but their approach is on occasion too partisan.

The people of Albania are suffering dreadfully. This may not be sufficient to persuade Europe to redouble its efforts in assisting Albania's return to normalcy. Mr. Blair now has a real opportunity to demonstrate his commitment to the fight against the international drug and gun cartels that are devastating one small country.

The writer, author of "The Fall of Yugoslavia," is preparing a book on Balkan nationalism. He contributed this comment to The New York Times.

Hong Kong: Watch Out for a New Chinese-Style Capitalism

By Philip Bowring

HONG KONG — As new realities arrive, the Chinese version of capitalism is looking like a bigger threat to Hong Kong than communism.

Liberals have, naturally, been concentrating their concerns about the future on new restrictive laws. Democrats have been bemoaning the erosion of representative government here and its impact on the democratic movement on the mainland.

But the fever for Red Chips — Hong-Kong-listed shares with mainland control and predominantly mainland assets — suggests that an equal threat to Hong Kong is to the way business is done.

The Red Chip fever is based on insider manipulation of state assets. In other jurisdictions, many transactions would be described by one word: theft. Here, briefly, is how it works.

Mainlanders get control of a small, moribund Hong Kong company. This news immediately ensures that the price triples or more on the assumption of further action. The new interests, linked to a central government or provincial entity, promise injection of "cheap" assets. The shares rise further.

A new share issue follows, and with it promises of more cheap asset injections and sales creating instant profits to justify sky-high price earnings ratios. Insiders — newly rich mainlanders and old-rich Hong Kong tycoons and investment bankers — get most of it. The rest is offered to the public and is oversubscribed a few hundred times. Shares rise further ...

The game originates on the mainland but is orchestrated in Hong Kong. Foreign houses are eager participants. The brokers publish acres of twaddle about the miraculous combination of mainland growth opportunities and Hong Kong management. Cartloads of inflated shares are unloaded onto naive, greedy or opportunistic young managers of Western pension funds.

One of two things will now happen.

• Individual Red Chips will collapse, as most previous China plays have done, but the game will continue. The problem for Hong Kong is that if it is so easy for those controlling enterprises to misappropriate state assets for the purposes of "privatization," why stop with the mainland? Are there not some even richer pickings to be had in Hong Kong itself — for example, among property companies sitting on billions' worth of unrealized asset gains?

Hong Kong was built on entrepreneurship and risk taking. Red Chip "capitalism" is instant wealth for insiders in the state\party apparatus. The process leaves the state enterprises unreformed, but shorn of some of their better assets.

• The other possibility is that there will be a strong reaction in China against this spurious capitalism, resulting in a leftward lurch and blame being placed on Hong Kong for being the origin of these evils.

The Red Chip mania is only one aspect of an asset bubble in Hong Kong. The current administration has let credit growth rip — an almost 30 percent increase in the past year, fueling property and share booms.

One might have thought that incoming Chief Executive Tung Chee-hwa would be wary. His family shipping company nearly went under in the mid-'80s as a result of over-ordering ships when credit was cheap. He was rescued by mainland money and the unaccustomed softheartedness of some foreign banks.

But instead of being seen as a credit-driven bubble, asset prices are being taken by the British and Mr. Tung as illustration of "confidence." A hangover is inevitable and could be Mr. Tung's first crisis.

Recurring asset booms and busts are part of Hong Kong's history and way of business. Red Chips are a new and more lethal play.

International Herald Tribune

A Viable Opposition Will Be Needed

By Roda Mushkat

HONG KONG — Under its new chief executive, Tung Chee-hwa, Hong Kong moves into the camp of those in Asia who have reservations about Western-style democracy.

The Asian version of democracy, which gives greater priority to authority than to freedom, clearly holds more appeal for China and the Hong Kong leaders it has approved than the Western political structure bequeathed by the British.

Key pieces of legislation introduced by Chris Patten, the departing governor, to enhance individual freedoms and government accountability are being consigned to oblivion. The shift reflects a policy preference, in Hong Kong and Beijing, for a political system that is stable rather than open.

Authority wins over freedom because it buttresses those in power so that they can do their work more efficiently.

The attempt to create a strong government in Hong Kong is partly inspired by Singapore's example of promoting stability and prosperity while minimizing opposition.

Both societies have Confucian roots, but their political cultures diverge. In Singapore, social impulses flow from the top down; in Hong Kong it is the other way round. Hong Kong is, therefore, less susceptible to top-down guidance.

Nor is Singapore governed, as Hong Kong will be, by a group of businessmen with no clear accountability. Rather it is driven by competent technocrats-cum-politicians who regularly seek to re-establish their legitimacy through general elections based on a universal franchise.

Hong Kong has had a business-friendly government under British colonial rule. But this is the first time that it will have government by business. That makes a viable opposition necessary.

Singapore has a good record on corruption. Hong Kong, too, has managed to make considerable progress on that front. But, given the change of regime and the growing influence of China, where corruption is widespread, there are legitimate concerns about the potential for regression.

Again, in such circumstances an opposition check is needed.

The writer, a law professor at the University of Hong Kong, is author of "One Country, Two International Legal Personalities: The Case of Hong Kong." She contributed this comment to the Herald Tribune.

A Concern for Order

THE West needs to recognize the astounding changes that have taken place in China. The Tiananmen-type incident is not going to happen again.

In any case, Hong Kong is not Beijing. Political demonstrations, for example, are part of our culture in Hong Kong. So, of course, there will be this kind of freedom — so long as the matters concerned relate directly to Hong Kong.

At the same time, the worst thing would be if the whole issue of order started to slide. I lived in America in the 1960s and saw what happened: the slow erosion of authority, and the society becoming less orderly than desirable. I certainly don't want to see that happen here.

Freedom is not unimportant. But the West just doesn't understand Chinese culture. It is time to reaffirm who we are. Individual rights are not as important as order in our society. That is how we are.

— Tung Chee-hwa, commenting for the Los Angeles Times Syndicate.

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Excuses for Not Getting Together

By Flora Lewis

COMO, Italy — The skeptics, not to say cynics, who predicted that the will and capacity for international cooperation would ebb away after the Cold War are having a field day.

Despite the ritual effort to put on a happy face, the European Union summit in Amsterdam and the newly named Summit of Eight in Denver showed that national quarrels and suspicions are seriously blocking the way to the proclaimed new era.

No one even mentions George Bush's hopeful "new world order" to follow the long war of ideology anymore, or if they do it is only to cite it as proof that the United States is determined to run the world by itself.

But any "proof" will do when minds are adamant. French television has just shown a long, outraged segment on the problems that French cheese-makers face if the United States succeeds in imposing a health standard requiring that cheese entering trade be made from pasteurized milk, not raw milk, which gives a better taste.

It is only an American attempt to get revenge for Europe's ban on American beef fed with growth hormones, a Camembert producer declared. "It shows the Americans want to impose their ways on the whole world."

Fresh from their failure in Amsterdam to make any significant reforms in the Union treaty so that they can move on to admit East Europeans with confidence, the Europeans reacted badly to Bill Clinton's extolling of the flourishing U.S. economy and the "American model" at Denver.

It was, many said, typical of American arrogance and hard-hearted indifference to social problems, which Europeans do care about.

French comments, in particular, sounded almost sick with resentment and envy, denouncing the "new American imperialism" and greedy American ambition to take charge of everything.

The press seized on the incident of cowboy boots that Mr. Clinton offered summit participants in what he doubtless considered a display of informal western hospitality, and which Chancellor Helmut Kohl and President Jacques Chirac rejected as beneath their dignity. It reflected French-German solidarity resisting American offensives, commentators crowed.

Recourse to such tidbits is not mere TV flummery for lack of substance to report. There is a bad mood, full of defensive assumptions and deliberate misinterpretation, alongside the rhetoric about mutual interest in facing the world's problems together.

At the annual meeting of the Council on the United States and Italy here, various aspects of troubles at hand were discussed, alongside a nostalgic tribute to the "good old days" of confidence and generosity when the Marshall Plan was announced 50 years ago. Of course that is an illusion of blurred memory, as several participants noted. There were plenty of harsh arguments throughout the period, but there was also acceptance that both sides of the Atlantic could only gain from resolving them.

Now, the French analyst Dominique Moïsi pointed out, playing on the old catchphrase about being in "one bed with two different dreams," they are in "one bed with two different nightmares."

Does it really take an enemy to make people see each other as necessary partners? Is getting even with, even getting ahead of, the neighbor worth more than getting the global neighborhood to move on with making life more livable for the lot of us?

The problem is not ignorance, although there is a lot of insensitivity.

The international assortment of officials, businessmen, politicians and academics at the Council's gathering made clear that there is wide understanding of how drastically the working world is changing because of the technological revolution. That cannot be escaped, but it poses new questions.

The temptation is to resort to old answers based on national rivalries because it's easier than seeking fresh solutions, although anybody who is paying attention knows that old ways no longer work.

That goes for the United States, too. Its current flush, compared with Europe's scourge of unemployment, hides a multitude of grave flaws that will also have to be addressed, and it can neither rule nor ignore the world.

This is a bad patch for internationalists, for those who are convinced, as I am, that it is possible for peoples to work in concert to overcome the disasters that man keeps making for himself, and for nature, too, even though hostility seems to be better at mobilizing emotions.

It will take a conscious effort to remind people that history need not be repeated, although it cannot be erased. We even know what to do about it, step by step. But a kind of lassitude has set in that makes important common projects seem too much to face.

This is certainly far from the worst of times, but it should not take the worst of times to realize that we can do better.

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IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: An Apotheosis

LONDON — The inner meaning of Her Majesty's Diamond Jubilee apotheosis can be found in what the English have succeeded in making of the sovereign, that redoubtable and yet necessary being who might easily be harmful but without whom the unity of a country is never quite a reality. They have kept the Monarchy, divesting it step by step of its most crying abuses, and they have made of their democracy the highest and most beneficent of its public services.

1922: Stay in Hayti

WASHINGTON — The indefinite continuance of American military occupation in Hayti, but a reduction of the force of marines, is recommended in a unanimous report of the special Senate investigation committee. The committee declared that revolution and brigandage would follow an early withdrawal or a drastic cut in the forces on duty. Many charges have been made against the marine forces in Hayti, but investigations by a Congressional committee have found them without foundation.

1947: Italy Hails Eva

ROME — Eva Peron, the wife of Argentina's dictatorial President, arrived in Italy tonight [June 26] on her goodwill tour of Europe. Thirty thousand Romans gave the former motion-picture actress a welcome, but it fell considerably short of what she received in Generalissimo Francisco Franco's Spain. Posters on house walls through the city hailed her as the "gentle ambassadress" of a nation which chose during the "recent painful war" not to join the "bloc of powers which stood against Italy."

هكذا من الأصل

OPINION/LETTERS

Starr's Investigation: Partisan and Prurient

By Richard Cohen

WASHINGTON — What America needs is neither a good 5-cent cigar nor a (free-range) chicken in every pot, but a special prosecutor to investigate the Whitewater special prosecutor, Kenneth W. Starr. Once asked to look into Whitewater and related matters, he is now questioning Bill Clinton's alleged girlfriends.

That makes two Whitewater scandals — one involving the Clintons, the other involving Mr. Starr.

The Washington Post's Bob Woodward, along with his colleague Susan Schmidt, reports that Mr. Starr's investigators have asked former members of Mr. Clinton's Arkansas security detail what they know about their one-time boss' extracurricular activities — if any, I am obliged to say.

Two state troopers, Roger Perry and Ronald B. Anderson, said they were asked about 12 to 15 women by name. Mr. Perry says that when given a list by the special prosecutor's office, he was able to identify "seven or eight" women with whom Mr. Clinton had had clandestine meetings. He was even asked if he had ever seen Mr. Clinton engage in sex. Alas for talk radio, he said no.

What could justify such a tasteless question? What could Mr. Starr be up to? The Post says the independent counsel is seeking out people in whom Mr. Clinton may have once confided. Did the president tell them the same story he later told the special prosecutor about Whitewater, Castle Grande and other matters so attenuated, complicated and obscure that almost no one can understand them? Or did he, in a triumph of bad judgment, confess to some sort of criminal activity while engaged in some other activity — telling the immoral about the illegal?

Did this happen with Bill Clinton? I have no idea. But unless Mr. Starr can connect, directly and clearly, Mr. Clinton's alleged extramarital affair(s) to some criminal act of consequence, then he has crossed a line respected by even the most aggressive of prosecutors. He seems to be flailing, determined to punish Bill Clinton not for anything he has done but for making Mr. Starr waste three years of his life. He knows what it is to be seduced (by fame in his case) and abandoned. He is a prosecutor scorned — by the facts, as it turns out, and his own clumsy handling of the investigation.

We all think we know that Bill Clinton has had his innings.

Gennifer Flowers alleged as much but, more convincingly, some very careful reporters have come out and said so. In his meticulously researched biography of Mr. Clinton — "First In His Class" — my colleague David Maraniss reported that Mr. Clinton's gubernatorial chief of staff, Betsey Wright, confronted him with a list of girlfriends and urged that he not run for president in 1988. "Now I want you to tell me the truth about every one," Mr. Maraniss quotes her as telling Mr. Clinton. For whatever reason, Mr. Clinton waited four years.

But everyone has a private life, and not all are beyond reproach. Large numbers of people, as we are constantly learning to our constant surprise, have committed adultery. This is not a real crime, but it can be the cause of great mortification and, maybe, the dissolution of a marriage. What would you, man or woman, say to avoid appearing as a witness and confessing to an affair? — confessing not just to a court, but, in effect, to everyone around your kitchen table as well?

If, up to now, Kenneth Starr had conducted himself impeccably I might give him the benefit of the doubt in this matter. But he has persisted in partisan activities (making speeches and campaign contributions) and probably will wind up, when all this is over, at Pepperdine University, taking a position created in good part by money from Richard Mellon Scaife, the sugar daddy of the right wing. From the manner of his appointment — by right-wing judges — to the manner of his attempted leaving — to that Pepperdine post — Mr. Starr's tenure has been tainted with the stain of partisanship.

The Whitewater independent counsel was appointed not to see if the Clintons were morally, ethically, politically and in every other way without fault, but to determine whether they had done something regarding Whitewater that was worthy of a criminal charge — and, in the president's case, possible impeachment. We are talking high crimes here, not really misdemeanors — something so serious that the democratic choice of the people for president might be canceled.

So far, Mr. Starr has not shown he has come up with anything close to momentous. If that remains the case, then delving into Mr. Clinton's private life, no matter how sordid, is more repugnant than anything Mr. Clinton may have done. It is past time that Ken Starr either put up or shut up. He, maybe more than President Clinton, has much to account for.

The Washington Post



Ten Reasons Why Chile Should Be Part of NATO

By Thomas L. Friedman

WASHINGTON — With less than two weeks to go before the Madrid NATO summit meeting, the United States and its NATO allies are still arguing over which countries to add to NATO.

The reason they're still arguing is because there are no clear criteria about who should be let in.

MEANWHILE

because there is no clear strategy for how to expand NATO, because the Clinton team has no clear idea what it wants NATO to become. When you don't know where you are going, any road (or new member) will get you there.

So the United States favors Poland, Hungary and the Czechs, while the Europeans also want Romania and Slovenia. Since everyone is pushing his favorite country, I would like to propose mine: Chile.

You laugh, but here are 10 reasons Chile is the best candidate for an expanded North Atlantic Treaty Organization.

1. Chile is long, very long, and NATO doesn't have any long countries. All the other proposed new NATO members are short and fat, like dumplings.

2. Since the main reason the Clintonites chose Poland, Hungary and the Czech Republic is because each has a strong ethnic voting bloc in the United States, why not bring Chile in and get the whole Hispanic vote behind NATO expansion?

3. Bringing Chile into NATO would bring diversity to the alliance, which is now dominated by pasty-faced Europeans. A little NATO diversity fits nicely with the Clinton domestic agenda, and without a NATO that looks like America, there's no way Congress will foot its bills forever.

4. The other reason that Poles, Hungarians and Czechs are being brought into NATO is because the European Union won't let them into its free-trade club. (The EU doesn't want Polish workers taking French jobs.) Well, we Americans have told Chile that it can't be in NAFTA because Congress is afraid Chileans will take U.S. jobs. If Chile can't be in NAFTA, then it, too, deserves NATO membership as a consolation prize.

This is especially true since the Clintonites keep saying NATO membership is crucial for helping to consolidate free-market reform in Central Europe. Surely, if it is crucial to consolidate such reform in Central Europe, it's more crucial to do it in our own hemisphere.

5. Chile, unlike Poland, Hungary or the Czech Republic, actually shares a border with Russia. Check it out. The Russian slice of Antarctica is off the southern tip of Chile.

6. Chile is one of the few countries in the world that not only qualify for NATO but also meet the Maastricht criteria for membership in the new single European currency. Maastricht requires EU countries to have a deficit-to-GDP ratio below 3 percent. Chile has a deficit-to-GDP ratio of 0 (it actually has a surplus) — better than Poland, Hungary or the Czechs. Chile could be the bridge between NATO and the European Union.

7. Chile is just across the ocean from China. That could give NATO a whole new front, and since the Clintonites think NATO has to be expanded and take on new missions in order to survive, what could be a more important mission than deterring China? And how better to do it than with the longest country in the world?

8. Chile has a very tough, often cruel army that would put the Czech, Polish and Hungarian armies to shame. Remember General Augusto Pinochet? They don't come any nastier. But try to name one Hungarian general. Hungarian cooks, maybe. Zsa Zsa Gabor, sure. But Hungary hasn't won a war since the 16th century. Also, since one purpose of expanding NATO is to sell the new members U.S. arms, Chile is perfect.

It's dying to buy F-16s, and unlike the Central Europeans it can actually pay for them.

9. Chile is near Cuba, which, unlike Russia, is still a real Communist country that shoots down civilian planes and has a May Day parade.

10. Chile grows fruit during Europe's winter. What a morale booster for NATO troops! They would eat better than ever, and scurvy would never again be a problem for NATO's Atlantic command. Try to find fresh peaches in Poland in December.

Need I say more?

The New York Times

LETTERS TO THE EDITOR

What's at Stake

Regarding "A Frenchman in the U.S." (Letters to the Editor, June 17):

We have heard international pundits and French politicians make the same argument, that the French are conservative. President Jacques Chirac himself publicly asserted as much.

But one should understand the meaning of what France wants to preserve and then compare this to what it stands to lose from a change.

France has a lot, and of great value, to conserve. Pensions, paid holidays and health insurance are not frills to be shed lightly. They are manifestations of the society that French people have wanted and constructed over the years.

LUCIO MARGHERITA.
Paris.

A Separate Peace

Regarding "Ambivalent Cypriots" (Editorial, June 18):

There is nothing ambivalent about this situation. As the editorial rightly points out, the two communities on the island, Greek Cypriots and Turkish Cypriots, prefer and enjoy living separately, though they may find this difficult to admit publicly.

As the Turkish Cypriots will never agree to live under Greek domination — whatever the pretext — why not accept the reality and let the two peoples live in peace, separately?

OMER KANCA.
Stockholm.

Obstructionist NATO

Regarding "NATO Rejects Hunting Bosnia Crimes Suspects" (June 14):

From the beginning, the North Atlantic Treaty Organization has obstructed any meaningful action in Bosnia.

When, before the Dayton agreements, the Bosnian Serbs fired on French peacekeepers, NATO responded by dropping bombs — not on Serbian military targets but on an abandoned Serbian tank.

When, later, Radovan Karadzic, wanted for war crimes, strutted before the noses of NATO soldiers, they were instructed not to make an arrest.

Now NATO officials say they fear that the chances of a successful raid by a Western paramilitary mission are diminishing.

It is precisely NATO's own actions that have made it possible for mass murder and other types of "ethnic cleansing" to go unavenged in Bosnia.

LEONORE SUHL.
Portimão, Portugal.

BOOKS

THOMAS JEFFERSON AND SALLY HEMINGS: An American Controversy

By Annette Gordon-Reed. 288 pages. $29.95. University Press of Virginia.

Reviewed by Brenda Stevenson

THE purported 38-year affair of Thomas Jefferson with the slave woman Sally Hemings is the subject of a provocative new book by Annette Gordon-Reed. Rumors of the liaison surfaced publicly during Jefferson's first presidential administration. Fueled by local gossip and the grudge of James Callender, a notorious political hack, stories about the nature of the relationship, Jefferson and Hemings's characters, and the fates of her five children formed a treacherous web that ever since has hung heavily in an unkempt corner of American history.

A legal scholar with obvious talent as a writer and a historian, Gordon-Reed takes on the wrangle-bound narrative that ties Jefferson to the slave woman as early as 1788, when she was 15 and he 45. But that's only half the story. The author wants to set the record straight and, in so doing, is determined to expose the fallacies and biases of those Jeffersonian scholars who have vehemently denied the claim.

Gordon-Reed's accomplishments in this work are numerous. She has built a formidable case in support of the position that Jefferson and Hemings had an intimate relationship of many years. The debate undoubtedly will continue, but there is little reason that it should.

She also provides an instructive critique of those academicians who purposefully obscured the truth. Her denunciation of this "conspiracy of defense" provides a long-overdue moral to this story: Historians have a profound responsibility as excavators and caretakers of the nation's past, a responsibility that cannot be denied in the rush to ease their public's fears and conscience. As Gordon-Reed notes, too often scholars have "constructed" U.S. history to comfort the majority at the expense of minorities.

Her study also revisits an important and unrelated methodological battle, reasserting — in the tradition of John Blassingame, Deborah White, Jacqueline Jones, Herbert Gutman and so many other "revisionist" slavery scholars — the necessity to recognize the slaves' voices and perspectives. In her discourse on the value judgments scholars place on various kinds of primary documentation, Gordon-Reed profoundly indicts the privileging of slaveholder accounts and the dismissal of the slave narratives. She insists, and rightly so, that the slaves had intellects with which they could reliably describe and analyze their lives.

The author's work is not, however, without its own flaws, methodological and philosophical. What readers undoubtedly will be most interested in will be a detailed account of the lives and relationship of Jefferson and Hemings. They will not get it. Most also will finish the book without learning much about slavery in the United States, life in the Old South or the political culture out of which the controversy first emerged.

This absence of historical context poses a critical question: Is Gordon-Reed familiar enough with the 18th- and 19th-century world of the two principal characters to render a reasonable assessment of their relationship?

Much of the time she is. Yet some poorly constructed conclusions based on uninformed analyses occasionally surface. Consider, for example, her "Summary of the Evidence" section. Gordon-Reed argues convincingly that the weight of the evidence supports the story of an intimate relationship. Yet her insistence that Jefferson treated Hemings's children preferentially, even parentally, and that each example of this treatment she cites indicates his paternity, could not have been derived from a familiarity with the social history of slavery, particularly the peculiar nature of the relationship between the slaveholder's family and the favored domestic slave family.

Other kinds of fallacies emerge elsewhere, such as in the author's assessment of Southern elite female education, rituals of courtship, and the nature of Southern marital and familial relations.

What is most problematic, however, is Gordon-Reed's discussion of Sally Hemings's place in the life and world of Jefferson. The author spends an enormous amount of energy suggesting that Jefferson and Hemings had a romance, that Jefferson could have loved Sally because of her beauty, her literacy, their shared experiences, etc. Yet there really was no basis for a companionate relationship between the two. Moreover, Jefferson demonstrated little humanity in relation to her, and she exercised little influence on him.

SALLY HEMINGS was a quadroon whose mother was a slave and whose powerful, wealthy white father never claimed her. Her slave status placed her at the feet of her half-sister (Jefferson's wife) and her children. Upon Martha Jefferson's death, Sally was under Jefferson's complete control. It was within this context that the 14-year-old virgin arrived in Paris and two years later left pregnant with her master's child. Gordon-Reed asserts. The power that Jefferson held and exercised over Sally, their offspring and her other kin denied any possibility of a companionate romance.

Gordon-Reed is right to defend Sally Hemings's character, particularly in response to its crude excoriation by most Jefferson scholars. Yet this defense cannot erase her tragic victimization by one of America's most important and influential historical figures.

Brenda Stevenson, a professor of history at UCLA, wrote this for The Washington Post.

BRIDGE

By Alan Truscott

TWO star-studded teams clashed in the final of the Women's International Team Trials, to determine two teams to represent the United States in the World Championships in Tunisia in October.

One team consisted of Pam Wittes, Cheri Bjerkan, Sue Weinstein, Stasha Cohen, Shawn Quinn and Judy Wadas, who were automatically entered into the semifinals because of a strong performance in recent national championships.

Opposing them were Marisena Letizia, Lisa Berkowitz, Jill Meyers, Randi Montin, Tobi Sololow and Mildred Breed.

A deal from the qualifying round is shown in the diagram. Should North-South play a slam in hearts, spades or no-trump? Seven hearts will make rather luckily, because after a trump lead the declarer can draw trumps and make use of dummy's spades. Seven spades will make with similar luck.

Seven no-trump has a good chance, and made at one table after a diamond lead. But in the replay, after the auction shown, South arrived in six no-trump. Montin was now inspired to lead a club. This had a devastating effect on the declarer's communications.

One could play for an error by taking the king of clubs, six heart winners and the spade ace. Then the ace-king of diamonds followed by a low one will endplay a defender who has failed to unblock the queen with a holding of Q-x-x.

The best play is to take all the side-suit winners and play the ace and a small diamond. This will succeed if East began with four diamonds including the queen, since she will be endplayed. But this play, too, had to fail with the lie of the cards.

The swing was 23 imps, and the Letizia team survived the qualifying round-robin by a whisker.

NORTH (D)
♠ K J 10 8 7 4 2
♡ 6
◇ —
♣ A Q 10 8 2

WEST
♠ 9 5 3
♡ 8 4
◇ 10 8 3
♣ J 9 8 4 3

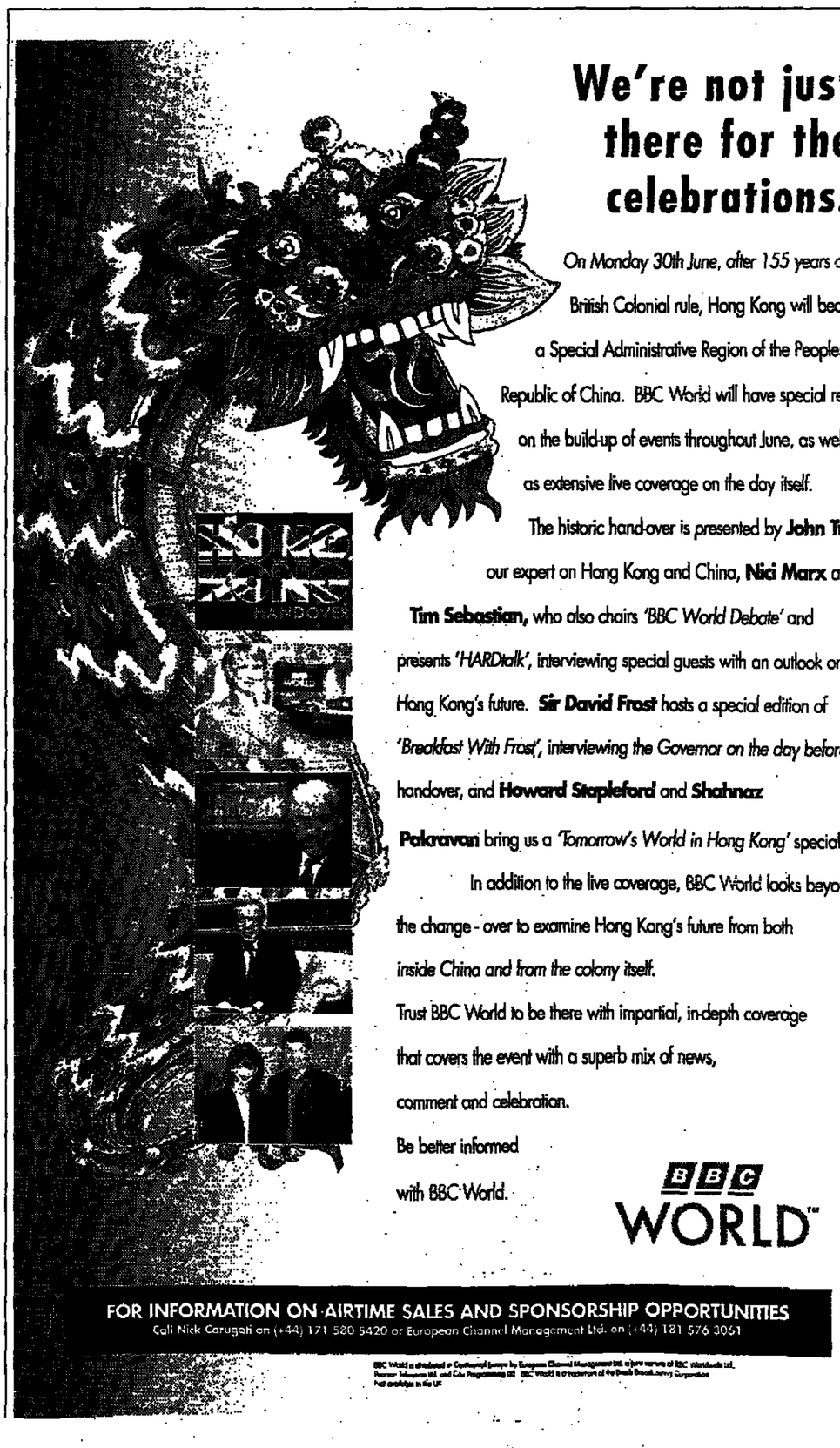
EAST
♠ Q 7
♡ 10 9 5 2
◇ Q 9 7 5 2
♣ 7 2

SOUTH
♠ A
♡ A K Q J 7 3
◇ A K J 6 4
♣ K

Both sides were vulnerable. The bidding:

North	West	South	East
1 ♠	Pass	2 ♡	Pass
2 ♠	Pass	3 ◇	Pass
4 ♣	Pass	4 N.T.	Pass
5 ◇	Pass	6 N.T.	Pass
Pass			

West led the club four.



Classic Italian Gardens That Say It Without Flowers

By Paula Butturini





Franco Tanel/D-Day/Daylight, for The New York Times; R. Mattes/Explorer

The garden of the Villa Arvedi, a 17th-century villa near Verona, and angel statue decorating a fountain in the Garzoni garden in Collodi, near Pistoia.

ROME — Classic Italian gardens are paradoxical places, celebrating sun and shade, earth and sky, the green of hedge, the crunch of gravel, the play of moving water — just about anything but a profusion of flowers. In a country as dry and hot as Italy in summer, blooms and blossoms turned out to be far too complicated and expensive to maintain. So although Italy was the first European country to be dazzled by bulbs from the East and West Indies, the Americas and South Africa — tulips, daffodils, narcissus — in the 17th century, flowers gradually disappeared from the classic Italian garden. Increasingly, architects focused on perennial greens, cool stonework and the sound of water to soothe eyes and minds burning from the fierce sunlight that bakes the peninsula much of the year.

Labyrinthine designs of ilex, laurel, cypress or box — interspersed with pools, fountains or cascades of water and underplanted with cool gray-green sage or well-trained rosemary — are set among paths of gravel or hard-packed earth, and play off walls or balustrades of stone and stucco. Arbors, pergolas, grottoes and statues from myth or antiquity also decorate the individual "rooms" of a classic Italian garden, outdoor spaces that are as carefully planned as the rooms of the house itself and that fit the landscape as well as their inhabitants' needs.

"It is hard to explain to the modern garden-lover, whose whole conception of the charm of gardens is formed of successive pictures of flower-loveliness, how this effect of enchantment can be produced by anything so dull and monotonous as a mere combination of clipped green and stonework," wrote Edith Wharton, an early devotee, in her 1904 book "Italian Villas and Their Gardens." But Wharton was convinced that classic Italian gardens were among the most special places on earth: "The traveler returning from Italy, with his eyes and imagination full of the ineffable Italian garden-magic, knows vaguely that the enchantment exists: that he has been under its spell, and that it is more potent, more enduring, more intoxicating to every sense than the most elaborate and glowing effects of modern horticulture . . ."

Classic Italian gardens have mostly been hidden behind the thick walls surrounding the castles and villas of the Italian aristocracy since their inception. Even in their home country they remain largely unappreciated, many still private and open to the public rarely if at all. Indeed, Italians lament that their countrymen are generally more familiar with the concept of the romantic English garden or the formal French garden than with the home-grown variety. But as Italy's 20th-century aristocrats try to balance bank accounts, private gardens that in some cases were planted centuries ago are being opened to the public. Visiting them requires planning, though; they are open on a limited basis, mostly to groups of 10 or those willing to pay an equivalent fee.

Castello Ruspoli

When Ottavia Orsini married Marc'Antonio Marescotti, the Count of Vignanello, at the start of the 17th century, she, like many a bride, determined to plant a garden at her new home 40 miles north of Rome near Viterbo. Home, which started as a ninth-century Benedictine monastery that was first turned into a fortress and later into a more livable castle, dominated a steep, rocky outcrop. Before she could even think of planting, however, Ottavia had the matter of soil to attend to: her future garden had none. So Ottavia, the daughter of the creator of Bomarzo — the garden to the north whose 16th-century Park of the Monsters was filled with exotic animals and other bizarre figures carved in stone — ordered tons of dirt carried to the site by ox cart to construct an earthen plateau over the rocky crags.

Nearly 400 years later, Ottavia's garden at the Castello Ruspoli in Vignanello is considered one of the purest Renaissance gardens in Italy. The intricate designs she laid out remain intact, says Princess Claudia Ruspoli, though today the elaborate plantings are in box hedge instead of the sage and rosemary that once traced Ottavia's elaborate geometric patterns.

Visitors looking out from the castle windows over the spacious central garden are rewarded with the most dramatic view: a perfect rectangle edged in green, crossed by four avenues of packed earth and divided into 12 parterres of box hedge laid out with geometric precision around a central fountain. Ottavia's initials, OO, are visible in the central parterre closest to the castle moat. Hidden is a smaller sunken "secret garden," a standard element of Renaissance plantings, where the family could spend time privately. Today it is filled with roses, irises and dahlias, in beds shaped into diamonds, triangles and circles.

Three wide avenues framed by bay laurel trees extend beyond the central parterres into a wilder area that also includes a small fruit garden. Information: (39-6) 687-6147.

Palazzo Corsini

In the heart of Florence, a short walk from the central train station, is another special garden hidden behind the high walls of the 16th-century Palazzo Corsini, which contains the most important private art collection in the city. Part of the garden's delight is the unexpected nature of its very existence in the center of such a bustling urban center: Step into the gardens and the Florentine tourist frenzy is replaced by an aura of calm.

The elegant, intricate garden — a little over an acre — was originally laid out in the 17th century with parterres of box hedge, lemons and other evergreen shrubs in geometric patterns. In its heyday, it boasted 300 lemon trees in ornamental terra-cotta pots.

Today, the number of lemon trees is down to a more manageable 130, and there is said to be an equal number of tortoises, which move through the garden, hiding under leaves and shrubs.

Interspersed among the lemon trees is second-century Roman statuary as well as later sculpture. Flanking the central garden are heavily wooded areas, which were once used as *ragnaie*, areas where small birds could be trapped for cooking. But in 1860, when Romanticism had taken hold in Italy, the ragnaie were turned into woodland groves by letting the trees — some more than 200 years old — grow tall. Today, the groves serve as a sort of natural green barrier, framing the box parterres and lemon groves, and protecting them from the encroachments of the modern city. Information: (39-55) 218-994.

Villa Arvedi

About five miles outside Verona stands a grand 17th-century Baroque villa, framed by a two-and-a-half-acre formal garden whose central avenue is lined with box trees at least 200 years old. From the grassy terrace that hugs the facade of the villa, the gardens descend in a gentle sweep to perimeter walls that run along the modern-day roadway.

The central boxwood parterres show a hint of French influence in their intricate, swirling designs, but the remainder of the garden is strictly Italian. The central parterres surround a fountain, and numerous carefully trimmed yew and cypresses punctuate the scene.

The statuary throughout the garden mimics the frescoes in the villa, all of them with a military theme, unusual for an Italian country villa. Gigantic warriors and soldiers, bearing arms and flexing oversized muscles, take the place of the figures from myth or antiquity that populate most Italian gardens. The military reminders were no accident, according to Count Arvedo Arvedi, who lives with his family in the villa. The genteel villa now standing replaced a fortress that once guarded one of the Venetian Republic's lucrative commercial roads to the northeast, which ran along the top of the hills behind the house. Later owners of the property wanted reminders of that military power.

Along one side of the upper terrace, which is planted in lawn and persimmon trees, stands what was once a spectacular grotto filled with fanciful fountains and decorated with mosaics (unfortunately, in rather poor condition) of mythical scenes, including Hercules fighting the Hydra. Information: (39-45) 907-045.

Villa Trissino Marzotto

The massive complex, dominating an entire hillside near Vicenza, traces its founding to 1001, when building work began upon Roman ruins. The 49-acre gardens are vast — you could easily spend two hours walking through them — and have taken on a variety of styles over the centuries. Although they were begun in the 1400s, what is visible today generally dates to the 18th century.

Portions of the gardens resemble an English park, with towering trees well over 200 years old planted on long, sweeping hillsides. But Count Giannino Marzotto, a winner of Italy's famed *Mille Miglia* car race in 1950 and again in 1953, also restored a glorious classic Italian garden in a lower portion of the property, setting statues by the 18th-century sculptor Marinali around a vast octagonal pool, itself surrounded by gray-green lavender. This is a garden big enough to get lost in, among the box hedges documented as 250 years old, the covered tunnels of green that shield the visitor from the sun, or the avenues of lemon trees that wind along a path topped by a minaret. Information: (39-445) 962-029.

Other Classic Oases

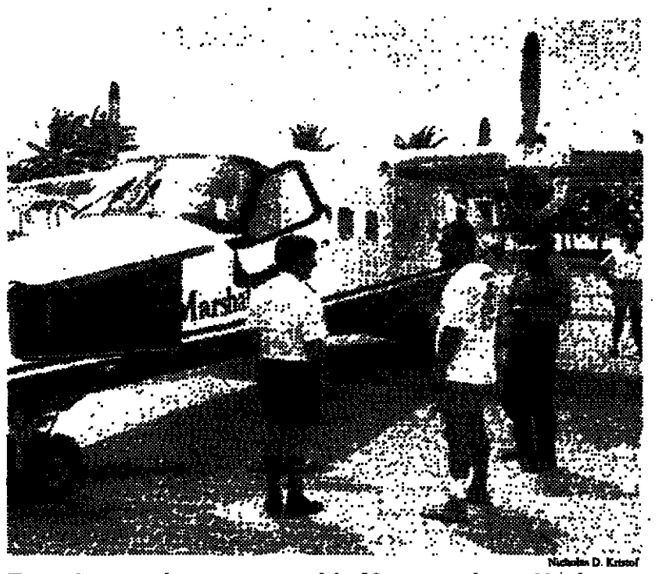
Giusti Gardens, 2 Via Giardino Giusti, Verona. This Renaissance jewel covers a verdant hillside, from whose belvedere much of Verona is visible. Information: (39-45) 803-4029.

Giardino Garzoni, Piazza della Vittoria, in Collodi, north of Pistoia. A restoration is nearly complete of this early 17th-century garden laid out in terraces on a steep hillside. It is filled with fountains, ponds, a labyrinth, grottoes, statues and stairways. Information: (39-572) 429-131 or (39-572) 429-116.

Paula Butturini, a journalist who lives in Rome, wrote this for The New York Times.

Not an Obvious Destination: Bikini

By Nicholas D. Kristof
New York Times Service



Nicholas D. Kristof

To get there, you have to get one of the 19 seats on the weekly plane.

BIKINI, Marshall Islands — As the tiny propeller airplane drops down toward Bikini atoll, rocked by gusts of wind that produce sickening lurches, the land looks breathtakingly fragile. It is a tiny crescent of sand peeping just above the sea, two beaches with almost nothing in between, looking as if any large wave could wash away Bikini for good.

The next perception is one of spectacular beauty. The lagoon is a turquoise so brilliant it seems to glow; the sands are a sparkling white; the tiny strip of palms and jungle is a rich forest green; and the ocean is a deep blue as thick as paint.

A moment later, the plane has rattled to a stop on a grass field, and the half-dozen of us on board jump out. A sign welcomes us to Bikini International Airport, which seems a bit grandiose, since it is just a landing strip on which this plane wobbles to a stop once a week with a few passengers on a domestic flight from Majuro, the capital of the Republic of the Marshall Islands.

Benefits of Isolation

Bikini is one of those places that everyone has heard of but nobody has been to, like Timbuktu. Except that Timbuktu today is just another dusty, charmless city in West Africa, while Bikini remains a ravishing Pacific island with a dazzling sun and a coral reef teeming with fish and sea turtles. Indeed, Bikini's striking beauty is largely a result of its isolation, for it was virtually deserted until it was opened to tourists last year.

Bikini atoll became known in the 1940s and '50s when the United States dropped 23 atomic and hydrogen bombs on it. A French company was just introducing a new two-piece bathing suit for women at the time, and named it the bikini, apparently because it was thought to catch men's attention with the same force as an atomic blast.

In any case, background radiation levels on Bikini are now lower than those in many American cities, and six different studies have concluded that Bikini is safe, at least so long as residents do not eat vast numbers of local coconuts. And while Godzilla was supposed to have arisen from the Bikini lagoon, there is no sign that the radiation spawned mutant monsters.

Bikini atoll is a string of 23 islands surrounding a spectacular turquoise lagoon. On my trip in February, I took a 15-minute boat ride from the island with the airstrip to the main island in the atoll, also called Bikini. Visits should be arranged a few weeks ahead, because the only place to stay is the Bikini Atoll Diving Resort, and if it is full, you may end up on the beach until the next flight out, a week later.

Most of the people who come to Bikini are divers participating in a weeklong package that costs $2,750, and includes diving, food and a spartan but clean and pleasant room. The 20 rooms in three buildings face the lagoon and have toilets, hot and cold water, showers, air-conditioning and electricity (from a generator), but there is no television or phone (except for a satellite link that can be used in an emergency for $10 a minute). The lodgings are more like those of a motel than of a resort, and the cafeteria is similarly clean but not fancy. It offers fresh *mahi-mahi*, tuna and other fish, as well as tropical fruit and fresh vegetables, and even foods like hamburgers, hot dogs and soft drinks.

The diving program consists of two dives a day to explore shipwrecks of World War II vintage craft in the lagoon. When they are not diving, the guests can explore the island on foot or on rented bicycles, or watch videos in the lodge. There is plenty of beachcombing to be done on an island that has had virtually no tourists for decades, and the sand is full of shells and sprigs of coral. There is also an old cemetery, from the time when Bikinians lived on the island before being evicted in 1946 for the tests, and a few bunkers near the beach that were used to shelter observers during the tests.

THE resort is owned collectively by the Bikinians, and about 30 people live on the island — a dozen who work in the lodge and various others monitoring the area for the U.S. Government and conducting scientific experiments. The Bikinians now live on others of the Marshall Islands but are debating whether to return to their atoll.

The lagoon is full of bonefish, sharks, marlin and other species of gamefish, and the resort lets people use fishing rods and tackle to cast from the beach. In addition, it is planning to get fishing boats and begin a sport fishing program this summer.

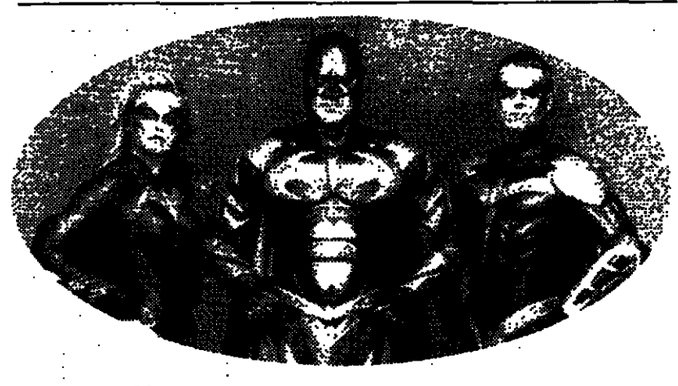
"The lure of this place is that for 40 years nobody has been here," mused Fabio Amaral, a Brazilian who runs the dive program. "At all the big diving sites around the world, oldtimers say it's not like it used to be, because of overfishing. Well, this is like what it used to be."

The tourist program began tentatively last year, and it is just gearing up this year. For now, it is pretty much limited to experienced divers, but there is also talk about inviting sport fishermen and snorkelers and other vacationers. Aside from the limit of 20 rooms, one constraint is that the only access for now is the weekly flight, on a 19-seat plane, although there is talk of adding flights. Of course, anybody can sign up and simply spend the days exploring the island and swimming instead of diving, but for now almost all comers are diving enthusiasts.

SHIPWRECKS The main attractions to divers are the shipwrecks at the bottom of the lagoon. During the nuclear tests, the United States dropped atomic bombs near ships to see what would happen, and not surprisingly, they sank. So among the vessels in the lagoon are the Saratoga, a rare aircraft carrier accessible to sport divers; the Arkansas, a battleship still equipped with heavy weapons; the Pilotfish, a submarine, and the battleship Nagato, once the flagship of the Japanese Navy and from which the order to attack Pearl Harbor was transmitted.

The water of the lagoon is clear and warm with no currents, but the shipwrecks can be explored only by experienced divers because most are in 100 to 175 feet (about 30 to 50 meters) of water. Only people with advanced open-water diver certification are allowed to make the dives, and the resort recommends that all participants have at least 50 dives under their belts. While shipwrecks in other places have often been picked clean by souvenir hunters, the ships in Bikini lagoon are untouched. Some still have live bombs and ammunition, which divers are instructed not to touch, as well as intact coffee cups — and, most improbable of all — light bulbs that somehow survived the nuclear weapons.

MOVIE GUIDE



Silverstone, Clooney and O'Donnell in "Batman & Robin."

Batman & Robin

Directed by Joel Schumacher. U.S.

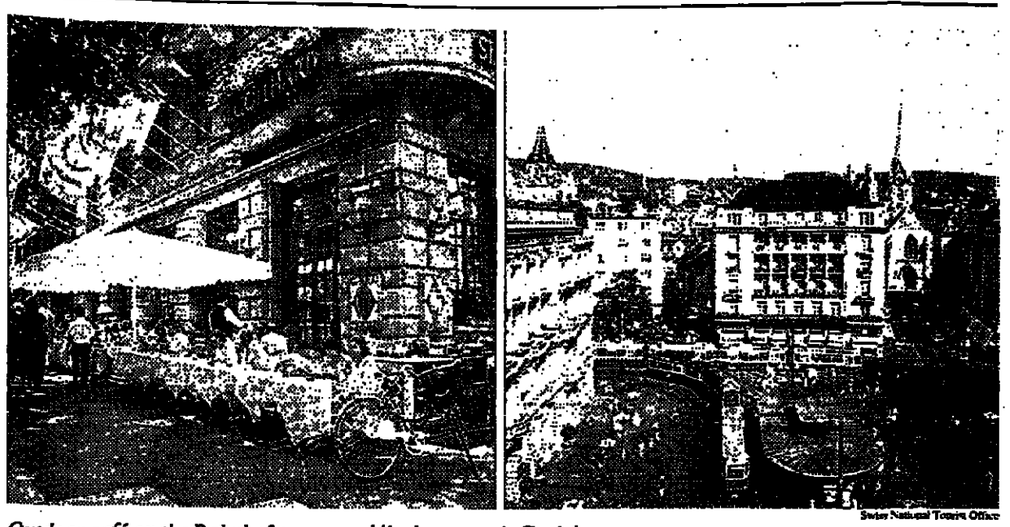
Like a wounded yeti, "Batman & Robin" drags itself through icicle-heavy sets, dry-ice fog and choking jungle vines, before dying in a frozen heap. Unfortunately, that demise occurs about 20 minutes into the movie, which leaves you in the cold for approximately 106 minutes. Assuming you've ventured into this territory, I'd strongly advise you to hibernate. In Akiva Goldsman's dramatically frostbitten screenplay, Batman (George Clooney) and his irrepressible sidekicks, Robin (Chris O'Donnell) and Batgirl (Alicia Silverstone), must save Gotham City from a double threat: the armored, cold-blooded Mr. Freeze, whose powerful ice gun can chill his opponents to death, and a toxic, vine-festooned temptress called Poison Ivy (Uma Thurman), whose kiss is deadlier than a weekend in Chernobyl. The premise is way below zero, but it's an opportunity for gothic creativity. For director Joel Schumacher, however, who used to be a window dresser, movies aren't about themes, they're about schemes. He arranges and choreographs his actors as if they were storefront dummies. He blasts the gothic gloom of Bob Kane's original "Batman" comic book series into goofy brightness. Throughout this emptily flashy, meandering fashion show of a summer flick, one conclusion is clear: It's time to discontinue the "Batman" line. *(Desson Howe, WP)*

Hercules

Directed by John Musker and Ron Clements. U.S.

Welcome to Disney Olympus, where Zeus is now a proud papa and devoted family man. And when the supreme Greek deity wants a gift for his tiny Hercules, he just stirs up a cloud puff and comes up with white-and-turquoise Pegasus, as adorable a plaything as any celestial baby could imagine. Ancient gods and Disney animators happen to share a taste for such miracles, as the latest Disney effort demonstrates with such delight. On any level, earthly or otherwise, the ingenious new animated "Hercules" is pretty divine. After a run of relative disappointments, Disney animation is back in top form with this happily bastardized mythology lesson, one that could well have the post-"Beavis and Butt-head" generation collecting many-headed Hydras and contemplating Grecian urns. With inspired inmition, "Hercules" brings together ancient lore, gospel singing, girl-group choreography and lots of free-floating mischief into a jubilant pastiche of classical references. Will it charm children and vastly amuse their parents, teachers and friends? "In a Peloponnesian minute," in the words of one of the film's typically wisecracking, not-so-ancient Greeks. Infused with wild new visual ideas thanks to production design by Gerald Scarfe, and directed with immense glee by the "Aladdin" and "Little Mermaid" team of John Musker and Ron Clements, "Hercules" has cleverness to spare. The one Achilles' heel to "Hercules" (and, of course, there are some prime Achilles gags here) comes with the familiar sound of its hero, one more questing teenager who delivers a power ballad about his hopes and dreams. (Is there any doubt where Michael Bolton, who belts out the song over the closing credits, will be on Oscar night next year? Alan Menken again supplies a varied and catchy score, this time with lyrics by David Zippel. *(Janet Maslin, NYT)*

LEISURE



Swiss National Tourist Office

Outdoor café on the Bahnhofstrasse and lively square in Zurich.

Zurich Joins Festival Chorus

By Paul Hofmann

ZURICH — Switzerland's biggest city is about to launch the first Zurich Festival, a 23-day celebration of the arts that it hopes will become an annual summer highlight in this metropolis of banking, technology and high-priced shopping.

The festival, starting Saturday and continuing through July 20, will include opera, ballet, drama, concerts and an exhibition of American 20th-century paintings.

The choice of dates is a wise one: This city on the northern tip of the boomerang-shaped Zurich Lake is brightened by flowers in June and is well endowed with public gardens, like Pestalozzi Park, in the center of town, or the landscaped promenade on the western lake shore.

Eyes jaded by the opulent windows of the jewelry shops and boutiques along the Bahnhofstrasse can rest themselves on the green rangy hills east and west and the shimmering blue of the lake with the peaks of the Glarus Alps on the far southern horizon.

Many languages besides the near-impenetrable patois of the Zurichers are heard in this cosmopolitan center, and nearly everybody knows English. The recent strength of the dollar has made Switzerland a bit less expensive for Americans than it used to be.

AND transportation doesn't have to cost much at all. Through Oct. 23, a fleet of 200 bicycles will be available free on a first-come basis at the Globus department store and at three suburban stations that are gateways to out-of-town rides: Stadelhofen near the Opera House, Enge in the city's west and Oerlikon to the north. For a $14 refundable deposit, you can bike around the city all day. Bikes are available between 7:30 A.M. and 9:30 P.M. except on Sunday. Information: (41-1) 825-5242.

Included in the Zurich Festival but continuing beyond it is "Birth of the Cool," works by modern American artists from Georgia O'Keeffe and Jackson Pollock to Sue Williams, Philip Taaffe and Christopher Wool. It runs until Sept. 7 at the Kunsthaus, 1 Heimplatz, (41-1) 251-6765, where the permanent collection includes significant works by the French Impressionists, Munch, Klee, the Giacomettis, Chagall and Kokoschka, as well as a room with 18 Picassos. Open 10 A.M. to 9 P.M. Tuesday to Thursday and until 5 P.M. Friday to Sunday. Admission: $9.60 at 1.45 Swiss francs to the dollar.

The Zurich Opera House will open the festival on Saturday with Donizetti's "Roberto Devereux." Marcello Viotti will conduct, with Edita Gruberova and Vincenzo La Scola in the leads. Robert Wilson's new production of Wagner's "Lohengrin," conducted by Ralf Weikert, with Gosta Winbergh and Stig Anderson alternating in the title role, will be performed June 29 and July 3 and 6. Lehar's "Merry Widow," conducted by Franz Welser-Most, with Elena Mosuc in the title part and Rodney Gilfry as Count Danilo, is to conclude the rich operatic portion of the festival on July 19. Tickets, $22 to $262, can be ordered by fax from the festival office at (41-1) 215-4030, or bought at the Opera House, Theaterplatz, (41-1) 268-6666, fax (41-1) 268-6555.

Music by Mahler, Schubert and Brahms dominates the festival program at the Tonhalle, Zurich's premier concert hall, across the lake from the Opera House. For Mahler's "Symphony of a Thousand" on July 5 and 6, David Zinman will conduct the Tonhalle Orchestra with three choirs from Prague, the Zurich Boys' Choir and eight solo vocalists. Sir George Solti will lead the Tonhalle Orchestra in Mahler's Fifth Symphony on July 12 and 13.

SCHUBERT LIEDER Peter Schreier, Hermann Prey, Gabriele Rosmanith and others will interpret lieder in Schubertiades July 6, 7, 9 and 14. The many Tonhalle soloists will include the pianist Alicia de Larrocha on July 7, and the mezzo-soprano Cecilia Bartoli July 19. Tickets to the Tonhalle cost from $13.80 to $103, and can be ordered from the festival office or bought at the Tonhalle ticket office, 7 Claridenstrasse, (41-1) 206-3434, fax (41-1) 206-3469, 10 A.M. to 6 P.M. weekdays.

The main railroad terminal (Hauptbahnhof), which handles 500 trains and 100,000 travelers a day, will be the setting for a celebration of the Swiss Federal Railway's 150th anniversary Aug. 8 to 10. Train enthusiasts can enjoy films and exhibitions of antique rolling stock, all free. The Hauptbahnhof, from which the glittering Bahnhofstrasse stretches to the lake shore almost a mile to the south, is itself a monument to the railroad age, with its 126-year-old cathedral-like concourse, which remains unchanged amid an ongoing modernization project.

MEDIEVAL HOUSES The heart of the city, between Bahnhofstrasse and the Limmat River where it flows out of the lake, is dotted with half-timbered medieval houses. Several of these ancient buildings were the headquarters of medieval craft guilds and evoke an epoch of wealthy artisans and silk traders. Their interiors have been modernized to serve as restaurants, shops, offices and private homes.

The Church of St. Peter, dating from the eighth century, carries enormous clock faces 28 feet in diameter on its steeple. Nearby is the Romanesque-Gothic Fraumunster. When he was 80, Marc Chagall designed the five stained-glass windows in the choir, depicting episodes from the Old and New Testaments. Open 9 A.M. to 12:30 P.M. and 2 to 6 P.M. daily.

Zurich's principal landmark, the twin-towered Grossmunster across the river, perpetuates the memory of the Protestant reformer Huldrych Zwingli, who preached there from 1518 to shortly before his death in 1531. The pedestrian-only precinct, known as Niederdorf, stretching north from the cathedral along the east bank of the river, is lively until late at night with many taverns and clubs.

An outing by streetcar No.6 from the rail station up the forested Zurichberg hill can be combined with a visit to the zoo. Its 2,000 residents include little Asian elephants, bred in captivity by the zoo, that are the darlings of Zurichers.

Paul Hofmann, whose latest book is "The Sunny Side of the Alps," wrote this for The New York Times.

Shopper Alert! Beating the VAT

By Betsy Wade
New York Times Service

NEW YORK — For travelers, the value-added tax is a pain, pure and simple. Those who shop while traveling are usually paying extra, often without knowing it, for the Irish sweater or the scarf from Paris.

The best estimate is that 76 countries levy some version of a value-added tax, or VAT, a national sales tax, raising prices for many purchases by 3 to 25 percent. Although about a third of these countries, almost all in Europe, have ways for international travelers to reclaim taxes on items they take with them as they leave, many visitors remain unaware of this.

Europe Tax-Free Shopping, the largest organization in the refund business, says U.S. shoppers in Europe will leave behind $50 million in unclaimed refunds this year. The company is mounting a campaign to tell travelers of the lost money, with some self-interest: Its 400 offices at main departure points in the European Union provide cash refunds to departing travelers at a commission of 20 percent.

GETTING A REFUND

Countries with a VAT do not apply it to their exports because it would be a price disadvantage in the world market. This exclusion is generally also applied to foreigners' individual purchases that are being taken home. Getting a refund involves taking a passport on a shopping trip and having a special slip filled out in the store. This is rubber-stamped by Customs on departure from the country and mailed back to the store, or turned in to the refund booth at the airport.

Collecting the money may not be easy. No one wants to throw away $50, which is what a friend hopes to get back on two London purchases, but after hearing reports of airport hassles — "by the time you get to Kennedy, it's the last thing you want to think about" — and receiving letters from frustrated readers, I tend to figure the money's spent and go about my business.

But neither will I waste half an hour of comparisons to save $5 on a currency exchange; vacation time is worth more.

That said, here is the latest on VAT refunds. The discussion here applies only to leisure travelers, who, except in Canada, can recover the tax only on goods they carry with them. Corporations can reclaim tax on their traveling employees' hotels and meals past a certain level in some countries. In Canada only, vacationers can also reclaim the tax on hotel bills.

A few generalities apply: Countries set minimum amounts that must be spent in one store (although several purchases can make up the minimum) before a refund will be made. Switzerland has a low rate and the highest minimum: A visitor would have to spend 500 Swiss francs in one store, roughly $350, to get a refund of $21 in what is technically called a consumption tax.

The refunds inevitably involve some tricky arithmetic. The tax rate the Swiss enacted was 6.5 percent, for example, but you wouldn't know it from the price tag. The tax isn't broken out separately. So refunds are figured as how much of the price one will get back — a different and lower percentage. In the Swiss case, a product made to sell for $400 would be put on the counter at $426, with the $26 representing the 6.5 percent tax. The visitor would seek a refund of the $26, which constitutes only 6.1 percent of the total price.

However, when salespeople for refund services talk about the taxes, they tend to point to the larger number, which may lead the innocent to believe they are going to get 25 percent of the price back as they leave Sweden, for example, not 20 percent.

Where two rates are given on the chart, the country applies different rates for varied products. For example, Italy has a tax of 16 percent on shoes, fashions and textiles, and 19 percent on most other items, including leather goods. The refund on the items taxed at 16 percent works out to 13.8 percent of the purchase price; on items taxed at 19 percent, the refund amounts to 16 percent.

FIXED MINIMUMS British stores can set their own minimums, which are generally above the national minimum of £30 (about $50). Most of the familiar stores participate in the Europe Tax-Free Shopping system, including Harrods, Marks & Spencer, Laura Ashley and Liberty.

The concept of refunding a VAT is mostly confined to Europe. But Singapore enacted a 3 percent VAT in 1994, with refunds initially handled by mail. In January, Singapore allowed Europe Tax-Free Shopping, now owned by CUC International of Stamford, Connecticut, to create a system there, in hopes of speeding refunds, according to Scott Shapiro, a spokesman for Europe Tax-Free Shopping. The refund in Singapore is 2.9 percent, the minimum purchase $350. Japan has a rate of 5 percent and South Korea, 10 percent; neither has a refund system.

Australia has no VAT. New Zealand has a rate of 12.5 percent, and there is no refund. (The tax is eliminated there when a large purchase such as furniture is shipped direct to the United States.)

With the Tax Free for Tourists system in a store displaying the logotype, the traveler asks the clerk to fill in some blanks on a Tax-Free Shopping Cheque. At the airport for a flight leaving the country — or in the case of a country belonging to the European Union, at the last airport in the Union — the traveler should show the purchases and present the shopping blank for stamping.

Many travelers present blanks for purchases that are in their checked luggage, and this usually works. But Georgiana Corsini, the curator of Palazzo Corsini in Florence, who is involved in a cultural project supported by Europe Tax-Free Shopping, said Italy may be more severe. At an Italian tourism news conference in New York, she urged travelers to keep purchases handy for inspection. In any case, they should be in new condition, not being worn.

Then, at an airport booth in Europe or in New York, at Kennedy, the traveler can get a refund, minus the 20 percent commission, in cash or on a credit card. The refund slip may also be mailed from the European airport in a postage-paid envelope provided by Europe Tax-Free Shopping, and the refund minus the commission will be sent or credited later.

SOME people have used a simpler way to do it all, as well as avoid the 20 percent commission, but it requires that the shopper have confidence in the store and use a credit card. Two credit card charges are entered: one for the item and one for the VAT. The traveler gets the Customs stamp on the shopping blank and mails it back to the store. The merchant then tears up the charge for the tax.

ARTS GUIDE

AUSTRALIA

SYDNEY
Powerhouse Museum, tel: (2) 217-0111, open daily. To May 1998: "Evolution and Revolution: Chinese Dress, 1700s to Now." Garments and accessories reflect key periods of change in Chinese history, from the silk court robes of the Qing Dynasty (1644-1911) to the national dress emanating from the 1911 Republican government and the contemporary attire following Deng Xiaoping's open-door policy.

AUSTRIA

VIENNA
Kunsthistorisches Museum, tel: (1) 525-24-403, closed Mondays. To Oct. 19: "Gold und Silber aus Mexico." A presentation of pre-Columbian gold and silver artifacts; while gold objects were of paramount importance for their religious symbolism before Columbus, silverware, silver liturgical objects and decorations were created for the Spanish conquerors who had initially been lured to the continent by gold.

BRITAIN

BATH
The Royal Photographic Society, tel: (1225) 462-841, open daily. To Aug. 3: "An English Eye: Photographs by James Ravilious." Monochrome prints that record the rural tradition of North Devon. The sense of composition is combined with a feeling of complicity in the lives of those who passed in front of the artist's camera.

EDINBURGH
Scottish National Portrait Gallery, tel: (31) 332-2266, open daily. To Aug. 31: "The Face of Denmark." 100 Danish paintings, photographs and sculptures dating from 1750 to the present day, including works by Christen Kobke and Bertel Thorvaldsen.

LONDON
Barbican Art Gallery, tel: (171) 638-8891, open daily. To Aug. 17: "Marc Riboud in China: Forty Years of Photography." The French photographer (born 1923) has chronicled the country's social and political developments from the Great Leap Forward of 1958 to the economic boom of the 1990s.
Hayward Gallery, tel: (171) 261-0127, open daily. To Aug. 17: "Rhapsodies in Black: Art of the Harlem Renaissance." As the Jazz Age dawned in the early 1920s, African American artists, writers and musicians flocked to Harlem. This multi-media exhibition brings together paintings, sculptures and photography, by artists such as Aaron Douglas, Jacob Lawrence, who produced the Toussaint-Louverture series. The exhibition will travel to Washington.
National Portrait Gallery, tel: (171) 306-0055, open daily. To Sept. 28: "Clifford Coffin: The Varnished Truth — Photographs From Vogue, 1945-1955." For more than a decade, in London, Paris and New York, Clifford Coffin (1913-1972) produced many of Vogue's elegant fashion pictures. His portraits, also for Vogue, were an observation of worldwide art and society in the early postwar years.

FRANCE

DIJON
Musee des Beaux-Arts, tel: 03-80-74-53-59, closed Tuesdays. To Oct. 13: "1900-1938: Prague. Capitale Secrete des Avant-Gardes." From the turn of the century to the beginning of World War II, Prague remained a cultural crossroads and contributed to the circulation of avant-garde ideas and movements in Europe. The exhibition brings together 300 paintings, sculptures, photographs, objects and architectural drawings, from Art Nouveau to Surrealism. Alfons Mucha, Kupka, Munch and Picasso are among the artists represented.

NICE
Musee d'Art Moderne et d'Art Contemporain, tel: 04-93-62-61-62, closed Tuesdays. To Oct. 20: "Des Modernes aux Avant-Gardes." Documents art movements from the post World War I period to the end of the 1950s, with works by artists that belonged to Dada, Fluxus and the New Realists. Features 150 works by 25 artists including Man Ray, Picabia, Arman, Brauner, Klee and Ben, among others.

PARIS
Centre Georges Pompidou, tel: 01-44-78-12-33, closed Tuesdays. To Sept. 29: "Les Ingenieurs du Siecle." From the earliest metal construction to the latest building technology, from Gustave Eiffel to Peter Rice, a display of models and architectural documents illustrates the works of the engineer-builders of the 20th century.
FNAC St. Lazare, tel: 01-55-31-20-00, closed Sundays. To Sept. 6: "Yul Brynner Photographe." Better known for his stage and screen performances, Yul Brynner was also an accomplished photographer whose work appeared in Life magazine. The show features 65 family photographs, behind-the-scenes Hollywood portraits and scenes from horse races



Yul Brynner

Kathy Lee, Brynner's last wife, in a 1980s revival of "The King and I."

in Paris. The works have also been collected in a book written by Brynner's daughter.
Musee Zadkine, tel: 01-43-26-91-90, closed Mondays and holidays. To Sept. 14: "Acrobate Mime Parfait, L'Artiste en Figure Libre." Depictions of acrobats by painters and photographers such as Calder, Chagall, Leger, Man Ray, Picasso and Mapplethorpe.

GERMANY

COLOGNE
Museum Ludwig, tel: (221) 221-2382, closed Mondays. To Aug. 17: "Sechziger Jahre: Die Neuen Abenteuer der Objekte." An insight into the use of objects in art by European and American artists of the 1960s. Features 140 works by Arman, Cesar, Christo, Raysse, Klein and Warhol, among others.

IRELAND

DUBLIN
Gallery of Photography, tel: (1) 671-46-54, closed Sundays. To Aug. 16: "August Sander." The photographer chronicled German society with photographs of individuals and their trades and crafts during the Weimar Republic.

JAPAN

TOKYO
Setagaya Art Museum, tel: (03) 3415-6011. To Aug. 20: "A. R. Penck." More than 60 paintings, 10 sculptures, and a few photographs by the German artist (born 1939). A figurative artist, Penck first dealt with social issues until the 1960s when his compositions became increasingly simplified and used figures, symbols, numerals etc.

LUXEMBOURG

Musee National d'Histoire et d'Art, tel: 47-93-301, closed Mondays. To Aug. 24: "Peintures de l'Age d'Or du Danemark." Danish paintings from the first half of the 19th century. Christoffer Eckersberg (1783-1853), Christen Kobke (1810-1848) and Constantin Hansen (1804-1880) depict daily life scenes, landscapes and portraits.

NETHERLANDS

AMSTERDAM
Van Gogh Museum, tel: (20) 570-5200, open daily. To Oct. 12: "Vincent van Gogh: The Drawings." The second in a series of four summer exhibitions presenting van Gogh's works on paper, this show covers works created while van Gogh lived in Nuenen between 1883 and 1885. Features drawings of peasants working on the land, women spinning and weavers, as well as landscape drawings.

SWITZERLAND

LAUSANNE
Fondation de l'Hermitage, tel: (21) 320-50-01, closed Mondays. To Oct. 5: "Charles Camoin, 1879-1965: Sous le Signe de Cezanne et du Fauvisme." More than 100 paintings, pastels and drawings showing the French painter's contribution to the development of Fauvism and his rejection of Cubism and abstraction. Landscapes, portraits and still lifes are on show.
Musee Olympique, tel: (21) 621-6511, closed Mondays. To Oct. 12: "Ulama: Jeu de Balle des Olmeques aux Azteques." Reliefs, paintings, and terra-cotta figures document the practice of this Meso-American ball game.

UNITED STATES

NEW YORK
Cooper-Hewitt National Design Museum, tel: (212) 8806894. To Aug. 24: "The Jewelry of Tone Vigeland." Since establishing her own studio in 1961, Vigeland, Norway's foremost jeweler, has gained international acclaim for her designs in both precious and nonprecious metals. Objects in the exhibition range from earrings, bracelets, and necklaces, to metal-mesh hats, chain-mail shoulder pieces, and long mesh chains that elude definition.
Museum of Modern Art, tel: (212) 708-9400, closed Wednesdays. To Sept. 2: "Cindy Sherman: Untitled Film Stills." More than 60 photographs created between 1977 and 1980, that comprise a catalogue of female roles derived from the movies, all featuring Sherman herself.
National Museum of African Art, tel: (202) 357-2700, open daily. To Oct. 19: "Treasures From Tervuren." From the Belgian collection of Central African art collected by government officials and missionaries, more than 120 artifacts including objects of royal regalia, masks, figures that hold medicine and figures representing kings and chiefs. The exhibition will travel to New York, Duesseldorf and Barcelona.
Solomon R. Guggenheim Museum, tel: (212) 423-3640, closed Thursdays. To Aug. 24: "From Durer to Rauschenberg: A Quintessence of Drawing. Masterworks from the Albertina and the Guggenheim." Ten drawings by each of 17 artists that offer a critical and historical look at the role of drawing in these artists' oeuvres. Features works by Raphael, Rubens, Rembrandt, Klimt, Kandinsky, Jim Dine and Francesco Clemente.

CLOSING SOON

June 28: "Arts Rituels d'Oceanie: La Nouvelle Irlande." **Mona Bismarck Foundation, Paris.**
June 29: "Alberto Giacometti." **Kunsthalle der Hypo-Kulturstiftung, Munich.**
June 29: "El Greco's Annunciation: The Cycle of the Colegio de Mana de Aragon." **Museo Thyssen-Bornemisza, Madrid.**
June 29: "Zoran Music. Retrospektive." **Schirn Kunsthalle, Frankfurt.**
June 29: "Otto Dix." **Fondazione Antonio Mazzotta, Milan.**
June 29: "Andre Derain. 1904-1912." **Museu Picasso, Barcelona.**
June 29: "Tetsugoro Yorozu." **National Museum of Modern Art, Kyoto.**
June 29: "Collecting in the Gilded Age: Art Patronage in Pittsburgh, 1890-1910." **The Frick Art & Historical Center, Pittsburgh.**



Brynner's 1959 photograph of an elderly woman being taken away in an ambulance in Ludwigsburg, Germany.

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INTERNATIONAL

In Russian Sex Scandal, the Big Question Is: Who Leaked the Tape?

By Alessandra Stanley
New York Times Service

MOSCOW — Corruption in high places is hardly new in Russia, but political sex scandals are almost unknown. So a popular tabloid newspaper created a sensation when it published pictures of what it described as the minister of justice cavorting nude with three naked women in a sauna frequented by gangsters.

Valentin Kovalyov, the justice minister, denied the allegations, saying that the pictures published last weekend were fakes leaked by enemies seeking to sidetrack his efforts to crack down on organized crime. He said he would take a leave of absence, but continued showing up for work this week.

President Boris Yeltsin formally suspended Mr. Kovalyov on Wednesday until an investigation was completed. But it remains unclear exactly what is being investigated. Since the scandal became public, most of the attention of Russian journalists and law-enforcement officials has been on who leaked the videotape that was the source of the photos to the tabloid newspaper, Sovershenno Sekretno (Top Secret), and why. For now, the official inquiry seems focused on whether Mr. Kovalyov's privacy was breached rather than on his behavior.

"The very fact that such materials have been disclosed can lead to a criminal case," said Sergei Yastrzhembsky, Mr. Yeltsin's spokesman.

As in Soviet times, Russia today is not a country where people have a strong sense of privacy. People still live in communal apartments, share bedrooms with their children and cannot enter a university without providing a doctor's certificate that they are free of venereal disease.

But the notion of official secrecy and government privilege is deeply entrenched. Faced with its first major political sex scandal, Russia is responding with a more traditional appetite for political conspiracy theories.

The tape was discovered by Interior Ministry police officers, and many suspect that the police leaked the tape. Yuri Skuratov, the country's chief prosecutor, said he would investigate whether the leak violated criminal procedure.

Others suggested more sinister scenarios. "The Kovalyov story does not make us look good," Nikolai Kovalyov, chief of the Federal Security Service and no relation to the justice minister, warned Tuesday. "He was abroad representing our country and was recalled, so this is another blow against the prestige of the nation." The justice minister was traveling at the time the scandal broke.

The notion that one of the country's top law-enforcement figures appeared to be on social terms with Arkadi Angelevich, a banker now in custody awaiting trial, was not shocking to most Russians. Nor were many appalled to see a married government official relaxing naked with women half his age.

The main surprise was that the story, and the deeply embarrassing pictures, were seen at all.

Anatoli Kulikov, minister of the interior, said the videotape of the justice minister was first discovered in the home of Mr. Angelevich, the banker who was arrested in April in connection with embezzlement. Mr. Kulikov denied that his office was the source of the videotape, arguing that it must have been leaked to compromise his detectives' case against Mr. Angelevich.

Interfax reported that Mr. Kulikov told a few reporters that there were five copies of the videotape, and that he had informed Mr. Yeltsin of their existence in April.

Mr. Kovalyov, 53, a former Communist who quit the party when he was appointed to the ministry position two years ago, is the odd man out in the new reform-minded cabinet.

Boris Nemtsov, first deputy prime minister, deplored Mr. Kovalyov's loss of privacy above all. "This scandal is very untypical for Russia," he said. "I regret to say that it brings us closer to the United States."

The Russian public also seemed appalled by the journalism, not the report. Yuliya Kudryashova, an 18-year-old student, said of Mr. Kovalyov: "He's human, like other people and he has a right to relax sometimes. I can see nothing good in showing dirty panties to millions of people."

Mikhail Beglov, general director of Sovershenno Sekretno, says his newspaper, which has a circulation of more than 2 million, is exposing the inner workings of government that few other Russian newspapers are independent enough to explore. But even he expressed some misgivings about the reports.

"Even knowing that Kovalyov was involved in wrongdoing, we would never have published the story if we had had to install spy cameras, which in my opinion is a violation of constitutional and human rights," Mr. Beglov said. "We decided to publish it anyway, because there are so many other angles to the story, like why the tape was kept in the Ministry of Interior's safe."

One of the few defenders of the exposé was Otto Latsis, a columnist for the respected daily newspaper Izvestia. "I would prefer this kind of information not be acquired through a keyhole," he said. "But it would be naive to expect these kinds of dirty things to be acquired in a clean way."

Crew on the Stricken Mir Forced to Work in Dark

Russia Prepares Emergency Repair Mission

By David Hoffman
Washington Post Service

MOSCOW — Short of electricity, the three men on the damaged Mir space station worked in the dark Thursday as ground crews began preparing an emergency repair mission and Russian space officials acknowledged the station is nearing the end of its useful life.

The director of Russia's space agency said the Mir mission would continue, however, and angrily dismissed the suggestion by a congressman in Washington that the United States might pull out of cooperation with Russia on the program if safety could not be assured.

One day after an orbital collision between a cargo vessel and Mir ruptured one of the research modules and sent the crew retreating for safety, plans were being laid to send critical electrical cables and other material up to Mir by a Russian rocket in 11 days. A spacewalk is being planned to make the repairs, but only after the supply ship reaches Mir.

The U.S.-Russian crew was reported not to be in any life-threatening danger, but the collision left Mir without four of the 10 batteries it was using for life-support systems and positioning control. On Thursday, the crew, including an American, Michael Foale, used precious fuel to fire thrusters and turn the ship so that its solar batteries would recharge.

Yuri Koptev, chief of the Russian Space Agency, said the solar batteries were running at 60 to 70 percent of capacity. The crew was working in the dark, and was told not to exercise so as to conserve oxygen.

Russian officials described the accident Thursday as a five-point emergency on a scale of seven. The crash occurred when the seven-ton Progress cargo ship, which had been used to resupply Mir, failed to dock with the station in an exercise, smashed into the Spektr research vessel attached to Mir. It knocked out solar panels and punctured Spektr with a three-centimeter-square hole through which air escaped.

As the module began to lose air pressure, it was evacuated and sealed off. Spektr carried the four batteries that were being used to power the rest of Mir. On Wednesday, officials said that the crew had quickly escaped the leaking ship, but Thursday, Viktor Blagov, deputy flight director, disclosed they had gone back for a final look.

After receiving first word of the leak, Mr. Blagov said in a television interview, the crew crawled back into Spektr in search of the hole, without wearing protective suits.

"Apparently, they didn't sense great danger, and now we understand this indeed was justified, there was not great danger," he said. "It takes only one minute to close the cover."

"So, it was a natural step of the crew to take another look inside at the last minute," he said. "You can find something out. You can see something. They did that."



Reuters

Leopold Eyhards, a French cosmonaut, trying on his space suit Thursday at Russia's training center in Star City. His flight is scheduled Aug. 5.

Mr. Koptev reacted testily to the statement Wednesday by Representative F. James Sensenbrenner Jr., Republican of Wisconsin, chairman of the House Science Committee, that the National Aeronautics and Space Administration should study whether Mir is safe.

"Excuse me, please," Mr. Koptev retorted, "but your congressmen don't say anything about halting flights of the shuttle after the recent unpleasantness when one of the generators failed. Well, so — as soon as you stop the shuttle flights, we'll think about stopping Mir flights."

Mr. Blagov acknowledged that Mir may be coming close to the end of its useful life.

Asked if the number of incidents has reached the critical point, and whether the latest accident should signal the beginning of the decommissioning of Mir, Mr. Blagov replied, "To some extent you are right."

INTERNET: *Curb Is Unconstitutional*

Continued from Page 1

segment of the Internet community."

He said that the government may not limit adults to "only what is fit for children." Obscenity and child pornography remain illegal.

The two dissenters were Chief Justice William Rehnquist and Justice Sandra Day O'Connor.

In a hearing on the matter in March, justices cast about for appropriate parallels in earlier forms of communication.

Was the Internet to be compared to phone calls between friends, to radio, to public speech on a street corner or in a park?

Justice Stevens, in describing the Internet's capacities, said that "any person with a phone line can become a town crier with a voice that resonates farther than it could from any soapbox."

The law, he said, would have made criminals of parents who electronically sent birth-control information to their teenage children, and could even have been applied to the Carnegie Library's card catalog.

Opponents of the federal law called the ruling a clear victory for free speech.

"The court really did understand this new medium and finds that the medium is entitled to the same kind of broad protections that books and newspapers are entitled to," said Chris Hansen, senior staff counsel for the American Civil Liberties Union in New York.

Coming on the heels of decisions in New York and Georgia against Internet limits enacted by state legislatures, Mr. Hansen said, "We now have a trio of decisions that provide extremely broad First Amendment protection for speech on the Internet." The American Library Association said it was "delighted with the court's ruling," which it called "a historic recognition of the principles of free speech."

Among others challenging the federal law were America Online, an Internet provider; the American Society of Newspaper Editors and Apple Computer.

Those groups said the law would restrict access not only to indecent words and pictures but to discussion of issues including safe sex, homosexuality or prison rape.

Members of an anti-pornography group demonstrated outside the Supreme Court building Thursday against the decision.

A chief sponsor of the federal law, Senator Dan Coats, Republican of Indiana, said he feared that the court had "entered dangerous, unexplored territory."

The court, he continued, having long sought to protect of children from indecency in other media, "has withdrawn those protections from a child on a computer in his or her own home."

New attempts to draft more narrowly worded legislation were expected. But the line drawn by the court — protecting adults' access to information — would appear to make a new approach to Internet policing technically difficult.

The Communications Decency Act was passed in 1996 but never enforced because of court challenges.

A federal court in Philadelphia declared the law unconstitutional and the Clinton administration appealed that ruling to the Supreme Court.

The act imposed no restrictions on the considerable volume of indecent material sent from computers outside the United States, which some opponents said rendered it pointless.

HONG KONG: *Christians Worried*

Continued from Page 1

reau of the State Council and with the United Front Work department of the Chinese Communist Party, which oversees activities of churches.

"We had a very friendly and frank dialogue with Chinese officials," Bishop Tong said. He declined to give details, but sources familiar with the church in Hong Kong said the Religious Affairs Bureau and United Front department had told the bishops they would not set up offices in Hong Kong.

Nonetheless, potential conflicts loom over a host of issues, including visas for foreign missionaries in Hong Kong, local church groups' links with underground churches in China, the curricula of religious schools, the content of religious magazines and newspapers, and rental costs of church lands that were essentially free under British rule.

For the Catholic church, which has lived under Communist rule in Eastern Europe and other regions, the role in Hong Kong will be familiar. It will walk a delicate line to avoid conflict with the powers in Beijing while retaining as much freedom as possible to conduct services, classes and the business of the church and to serve as a bridge between the Vatican and Catholics in the Chinese interior.

Pope John Paul II's appointment of Bishop Zen last October as the bishop who will eventually run the Hong Kong diocese was one example of church maneuvering. He has been teaching at a government-approved seminary in Shanghai for several years; his contacts with China are good. At the same time, his appointment preempted any dispute over the Chinese Communist Party's role in the selection of bishops after July 1.

"The problem that I see is not about the church in Hong Kong," Bishop Zen said in a March interview with the Sunday Examiner, a church publication. "It is about our relationship with the church in China; that will be difficult."



Aijaz Rahi/The Associated Press

TUG OF WAR — Police pulling a Kashmiri separatist leader, Abdul Gani Lone, away from supporters Thursday in Srinagar. He and other separatist leaders were arrested to head off a protest outside the office of the UN military observer in the city. About a dozen civilians were injured in the scuffle.

"Because if you insist on 'one country, two systems,' then they will tell you, 'Come on, we respect your system; you must respect our system,' " he continued. "Then imagine, in the case of the persecuted church, I know one province in China where the local officials put the bishop and priests into prison and even beat the priests. What should we do? We can't just keep silent. Those are our brothers. But if we say something, Beijing will say 'You are interfering in our system.' That will be difficult for us."

The task is delicate in part because the lines between what is allowed and forbidden in China are more ambiguous than at any time in the past 40 years.

In the early 1950s, the Communist Party expelled foreign missionaries, initiated a "patriotic" church movement and forced churches to report to the United Front Work department. After Deng Xiaoping took power in 1978, priests were released from jail, and churches reopened. Nonetheless, the "patriotic" church movement has remained intact, and seminarians are supposed to sign statements recognizing the Communist Party's authority.

Bishop Tong described Beijing's attitude toward religion as controlled tolerance. "This is their dilemma," he said. "They want to be tolerant, but they also want to use religious activities to serve their purposes under their guidance."

A vast gray area has opened up. Many underground church members take refuge in the official churches to worship. There are 70 bishops in the official church, but half have been secretly recognized by the Vatican. There are 60 bishops in the underground church, but many of them are known to the government, and some serve as priests in the official church.

Some Protestant groups in Hong Kong could face even more pressure than the Roman Catholic Church. Many of them lack the Vatican's clout or are linked to charismatic groups in China that are feared by the authorities.

COURT: *Ruling on Suicide*

Continued from Page 1

the author of that decision, but said Thursday that there was a difference between a doctor who respects a patient's right to refuse treatment for a terminal disease and a doctor who assists the patient in suicide.

■ Line-Item Veto Is Approved

In another ruling, the Supreme Court gave President Clinton the authority, at least for now, to veto specific items in spending bills — a power sought by nearly every president over the last century, The Associated Press reported.

The court cleared the way for Mr. Clinton to use the so-called line-item veto by ruling, 7 to 2, that six members of Congress lacked the proper legal standing to challenge the federal law that gave him such power.

The justices made it clear, however, that the law could be challenged by anyone affected by a line-item veto once the president exercises that authority.

Senator Dan Coats, Republican of Indiana and author of the line-item veto legislation in the Senate, called the decision "a victory for common sense and fiscal integrity."

"There is no constitutional reason why the president should not have the same ability as more than 40 governors to line-item out ridiculous and wasteful spending. This is a good decision."

The decision set aside a ruling in which a federal judge struck down the law as unconstitutional after finding that the six members could sue to challenge it.

The judge ruled that the law shifted too much power from Congress to the president.

Justice Rehnquist wrote for the court that the six members of Congress "have alleged no injury to themselves as individuals."

Presidents have hailed line-item veto power as a valuable tool to control wasteful spending voted by members of Congress.

BRIEFLY

Turkey Prolongs Kurdish Air Patrol

ANKARA — The Turkish Parliament approved Thursday a six-month extension of an aerial surveillance operation, led by the United States, to protect Kurdish regions in northern Iraq.

Deputies passed a motion to extend the mandate for a U.S.-British force based at the Incirlik air base in southern Turkey. The force has been patrolling to protect Kurds from any attack by Baghdad since the Gulf War ended in 1991.

Turkish deputies have often complained that the air shield helped to establish a power vacuum that has been exploited by Kurdish rebels using bases in northern Iraq. Turkish security forces, involved for six weeks in an anti-rebel operation in northern Iraq, have mostly withdrawn from the region. *(Reuters)*

Brazzaville Airport Engulfed in Battle

BRAZZAVILLE, Congo Republic — Rival camps in the Congo Republic's civil war battled for control of Brazzaville's airport on Thursday, with both claiming victory while shells rained down for a second day.

Artillery thundered around Maya-Maya Airport a day after forces loyal to Denis Sassou-Nguesso launched an assault to capture it from forces loyal to President Pascal Lissouba.

Fighting has cut the city down the middle since early June and is now focused on the strategically important airport.

The International Committee of the Red Cross, the only aid agency at work in the capital, said its handful of foreign staff members were leaving as the situation deteriorated. *(Reuters)*

4 Algerians Killed

ALGIERS — A bomb exploded in a working-class suburb of Algiers on Thursday morning, killing 4 persons and wounding 20, hospital officials said. It was the latest in a series of post-election attacks.

The bomb went off in the Harrach neighborhood, southeast of Algiers, said the officials, who spoke on condition of anonymity.

There was no claim of responsibility, but suspicion fell on Muslim militants. On Wednesday, a bomb planted in a train leaving from the same suburb wounded 50 people, hospital officials said. *(AP)*

AFRICA: *Flexing Its Military and Diplomatic Muscle, Nigeria Struggles to Impose Order on Its Neighbors*

Continued from Page 1

and that often involves the grabbing up of resources by their own generals or for their own companies."

Others see Nigeria playing a largely positive role. The hasty withdrawal of the West at the end of the Cold War allowed Sierra Leone and Liberia to disintegrate into stateless battlegrounds between military governments and local warlords; whatever its motives, defenders point out, Nigeria filled the vacuum.

After seven years of costly intervention to try to end the civil war in Liberia, the closest thing to an American colony that has ever existed in Africa, Nigeria's rulers are now overseeing final preparations for what could be the first truly democratic elections in Liberia, on July 19.

"Imagine you are in a river drowning, and a huge snake swims by, so you climb on its back, and it carries you to the bank," said Wilson Tarpeh, a prominent Liberian businessman. "It has still saved your life, even if it remains a snake.

"If we had had the United States or someone else to help us, we would have loved it. But in the end, Nigeria came in and stopped the carnage here and has brought us peace."

This is clearly the thought that Nigeria's president, General Abacha, a man largely isolated from the world stage because of the human rights record of the Nigerian military, would like the outside world to focus on.

"It is our duty to insure that there is peace and stability in our sub-region because if Sierra Leone were to be destabilized, it will destabilize neighboring countries and would cross to Nigeria," Nigeria's foreign minister, Tom Ikimi, said recently in a radio interview.

In fact, as in the case of any regional power, analysts say General Abacha's foreign policy interests are diverse and sometimes conflicting. They include: keeping his military busy to prevent it from plotting a coup, making money through what are seen as corrupt business deals, creating a constellation of friendly neighboring regimes and improving a tarnished international reputation by promoting democracy elsewhere.

Of all these concerns, many Nigerian critics say that democracy is the least important element in the equation.

"In Sierra Leone, Abacha would have intervened even if it had been a military regime that was overthrown," said Bolaji Akinyemi, a former Nigerian foreign minister who is now a dissident living in exile in London. "The point is that he cannot tolerate a coup against a government perceived to be under his protection."

The results of Nigeria's foreign policies have been as mixed as the apparent motives.

Liberia appears to be emerging from its long nightmare of civil war because of Nigeria's heavy investment in peacekeeping there. But last year the Liberian capital, Monrovia, was destroyed when Nigeria allowed Charles Taylor, who started the conflict in 1989, to bring large numbers of fighters and weapons into the city to attack a rival.

A Western diplomat who has long monitored the involvement in Liberia said: "By the time the Nigerians really got serious about bringing this war to an end, sometime last year, by most reckoning they had taken just about everything that there was to take from Liberia."

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INTERNATIONAL

IRAQ: *A Retired CIA Operative Surfaces With Details and Criticism of the Failed American Effort to Overthrow Saddam Hussein*

Continued from Page 1

generals in the belief that they had a chance to quickly overthrow his regime.

Mr. Marik and some other senior CIA officials believe the bureaucratic warfare undermined a promising effort to cage Mr. Saddam. But Mr. Marik said he was publicizing his past activities to dramatize his view that the agency did not bear sole responsibility for a broad policy failure that implicated the White House, Congress, the Pentagon and the State Department as much as it did the CIA.

His matter-of-fact, precise descriptions of risky agency exploits in the remote Kurdish homeland of northern Iraq center on the help provided to the Iraqi opposition to assemble a force capable of taking on an Iraqi Army division in March 1995.

Parts of the story of the failure of that offensive, and the rout of the competing CIA attempt to organize a palace coup against Mr. Saddam, have been previously published. Among the new points about the operation, which absorbed at least $100 million in U.S. funds and cost the lives or freedom of hundreds if not thousands of Iraqis who worked with the agency, are these: A top CIA covert operative — known to the Iraqis as "Bob" and not further identified in this account because he is still in covert service with the CIA — designed what the Iraqis called the "Bob plan" for a direct attack on the Iraqi Army in March 1995.

The goal was to demonstrate the rebels' strength and, hopefully, highlight the unwillingness of Iraqi troops to fight to defend Mr. Saddam. Mr. Marik and "Bob" were the two principal CIA agents working in northern Iraq with the National Congress rebels. According to Mr. Chalabi, the "Bob plan" included a secret contact with Iran — a neighbor and bitter foe of Iraq — seeking Iranian complicity in the Iraqi rebel attack. But Washington quickly disavowed that message and withdrew support for the operation.

As its first step in the campaign to bring down Mr. Saddam, the agency hired an American public relations and political lobbying firm, the Rendon Group of Washington, to develop a worldwide propaganda campaign. John Rendon, head of the firm, is a former campaign consultant for Jimmy Carter. Congress — particularly the Senate intelligence committee, which sent two staff aides along with CIA agents on evaluation missions in the north — has played a major role in pressing for covert action and in shaping a program that many at the agency saw as doomed to fail from the outset.

The CIA official with direct departmental responsibility for the ill-fated operation, Steven Richter, is said by agency insiders to be the leading candidate for the powerful position of director of operations at the agency — head of the CIA's clandestine wing — if President Bill Clinton's designated director of central intelligence, George Tenet, is confirmed by the Senate in mid-July as expected.

The accounts offered separately by Mr. Marik and Mr. Chalabi were supported in many details, and in their overall thrust, by nearly 100 hours of interviews over several months with other CIA officers who asked not to be named, with Iraqi opposition figures and military defectors and with U.S. and foreign diplomats having direct involvement in or knowledge of American policy in the Gulf.

Mr. Marik, a veteran of the CIA's successful insurgency campaign in Afghanistan and a Turkish-language specialist, describes the fundamental error he thinks the agency made this way:

"In northern Iraq we ran a political program that was to eventually reduce Saddam's control over Iraq and make him nothing more than the mayor of Baghdad. That kind of slow, salami-slicing operation worked in Afghanistan, and against the Soviet Union in the Cold War. But then came pressure from the top for the quick kill — for a coup on deadline — and we lost our way."

Mr. Marik declined to speculate on the motivation for that shift. Other CIA officers viewed the shift as a prudent hedging of bets that went awry. Others said the National Congress was seriously hampered from the start by feuding among its rival Kurdish factions and lack of support among Iraq's politically dominant Sunni Arab religious group and neighboring governments.

Two CIA sources noted that the pressure within the Clinton administration to get on with overthrowing Mr. Saddam accelerated when John Deutch moved from the Defense Department to become CIA director in May 1995, and intensified more as the 1996 presidential election campaign moved nearer. Mr. Deutch, now teaching at the Massachusetts Institute of Technology, declined to comment for this article, as did the CIA's office of public affairs. A White House official denied that any pressure had been exerted on the CIA for political reasons.

The Iraq operation spans two presidencies and grows out of a miscalculation by President George Bush and the U.S. generals who prosecuted the Gulf War against Iraq in 1991. They assumed the humiliated Iraqi Army would finish the job they started by overthrowing Mr. Saddam, according to senior Bush officials.

When that did not happen, Mr. Bush signed what agency personnel call a "lethal finding" and ordered the CIA to create the conditions that would lead to a change in regime in Iraq. The leaders of the agency's Iraq Operations Group doubted they could easily accomplish what an international army of 500,000 men had failed to do.

But they began drawing up a classic covert operation similar to those that had worked with varying degrees of success over the past half-century in Iran, Guatemala, Afghanistan, Nicaragua and elsewhere in the Third World.

"Lethal findings" — under which the agency can with two exceptions undertake whatever action is needed, even if that action would lead to fatalities — are rare. Mr. Marik only worked in two situations covered by such a document: Afghanistan and Iraq.

Under U.S. law, CIA officers cannot directly participate in an assassination plot. And they cannot suggest in their propaganda that the United States will support a public uprising against an entrenched regime.

Some agents call this latter red line — a standard one in covert action — "Budapest rules." The agency was accused of having incited the Hungarian population to rise against Soviet occupation in 1956 and then having done nothing to help fight the Russians.

The initial funding for the Iraq operation was set at $40 million, according to two independent sources.

"The question we kept getting from the White House then was 'How much do you need?'" said a CIA source. "After Clinton and national security adviser Anthony Lake came in, it changed to 'How much can you get along on?' At several key points, the Clinton White House refusal to come up with a few million dollars jeopardized or stymied the whole operation."

Upon his arrival in 1995, Mr. Deutch not only gave the coup effort the green light but also pressed his agency to set "milestones" for getting the job done. Some officials had the impression they were facing a deadline of about a year, in time to remove Mr. Saddam as an issue in the 1996 election.

But Mr. Chalabi, Mr. Marik and others in the agency were telling the operations group that the National Accord, a dissident group, was deeply penetrated by Mr. Saddam's agents from the beginning.

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THE INTERMARKET Starts on Page 11

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Asia Times To Suspend Publication

Thai Sees Media Plan Failing After 18 Months

By Velisarios Kattoulas
International Herald Tribune

HONG KONG — The Thai entrepreneur Sondhi Limthongkul said Thursday he would halt publication of his flagship Asia Times because of a cash-flow crisis at the daily newspaper.

Mr. Sondhi, who in 1995 set out to become what he called an "Asian Rupert Murdoch," said he wanted "to re-evaluate the business side of Asia Times" before relaunching it in two to three months.

But analysts said the Bangkok-based newspaper, the centerpiece of Mr. Sondhi's plan to build an Asian media empire, including a satellite television network, was unlikely to reappear at newsstands again.

Its closure 18 months after its launching highlights the tight competition in the market for English-language newspapers in Asia, analysts said. It also illustrates the scale of the financial difficulties at Manager Media International, Mr. Sondhi's publishing business, which has been hit hard by Thailand's worst economic crisis in a decade.

Mr. Sondhi started his quest to become a media baron with an $800 million roll of the dice in 1995.

A flamboyant former journalist, he announced in December of that year that he was adding Asia Times to his stable of media properties and laid out plans for a pan-Asian satellite television and data network. He intended, he said later, to become "the first Asian to get up and fight the Western press."

But his empire now shows signs of coming apart. He owns around 30 magazines and newspapers in Thailand, Hong Kong, China and the United States. His proposed satellite TV venture has been called imprudent and there is some doubt that it will ever get off the ground.

Recent attempts to raise much-needed capital for the TV venture have come up short, according to industry sources. An additional $675 million is needed to finance the project, on top of its $125 million in existing capital.

And some important investors have pulled out, including United Communications Industry, a telecommunications concern based in Bangkok that is partly owned by Goldman, Sachs & Co.

The announcement to suspend publication of the Asia Times following Friday's edition came after months of

See TIMES, Page 14



Griff Mason, foreground, president of McKay Nursery Co., which has evolved into an employee-owned firm.

Putting Stock in Migrant Workers

By Barnaby J. Feder
New York Times Service

WATERLOO, Wisconsin — Like most farms reliant on seasonal field workers, McKay Nursery Co. long ago gave up the notion that it could afford wages high enough to make such dirty, wearying labor attractive to unemployed Americans.

"We haven't had a local market for entry-level farm labor since the 1960s," said McKay's president, Griff Mason, recalling how the company turned to migrant Mexican workers to sustain its nursery here in southeastern Wisconsin. "People here just didn't see it as a place to start a career."

Since then, however, McKay has veered far from the norm in agriculture. It has quietly evolved into an employee-owned enterprise where many migrant workers not only play an increasingly influential role, but annually receive chunks of stock in the company. Mr. Mason projects that the stock distributions and related bonuses will compound into a nest egg of at least $100,000 in 30 years for even the most lowly paid.

"I don't feel like an owner," said Guillermo Castillo, a 28-year-old native of Zacatecas, Mexico, who freely admits he is confused about the details of the company's ownership structure and his accumulating holdings. "But I do feel like a partner," he added, noting that some peers had kidded him in his early days about the amount of unpaid work he performed caring for young plants.

Such attitudes — and the opportunities that created them — are so rare in the world of migrant labor that McKay caught the attention of the Business Enterprise Trust, a California foundation created by the television producer Norman Lear to honor businesses that combined financial success with social vision.

In February, Mr. Mason, along with Richard Knoke, the company's nursery superintendent, and Reuben Almanza, a migrant worker who has been coming north annually from Texas to work McKay's fields for 35 years, were lauded by business leaders and President Bill Clinton at the foundation's annual awards ceremony in New York.

McKay's award was a public reminder that many Americans are angered or embarrassed every time they are confronted with agribusiness's reliance on impoverished migrants — and with the way many companies treat them.

Conditions have improved for the nation's 1 million farm workers since Edward R. Murrow's shocking 1960 CBS documentary "Harvest of Shame." Most now get unemployment insurance, Social Security, workers compensation coverage, clean water and access to toilets.

After adjusting for inflation, though, wages have been declining for 20 years, as illegal immigrants continue to flood the labor market. The most recent Department of Labor surveys estimate that the number of illegal aliens working on farms jumped from less than 10 percent in the 1988-89 crop year to 37 percent in 1994-95. Labor leaders say the actual figures are higher.

Meanwhile, many seasonal workers have seen their cost of living soar. Employers have avoided charges that they provide substandard housing by simply shifting to the workers the burden of finding housing and transportation to work.

Nor have the most flagrant abuses entirely disappeared. Last month, three men pleaded guilty in South Carolina to enslaving migrant workers who had illegally entered the country from Mexico. "There's rampant violations of the minimum wage laws," said Bruce Goldstein, director of the Farmworker Justice Fund in Washington.

Debate about migrants is an annual event in Congress. This year, growers are backing a bill in the Senate to make it easier to import more so-called guest workers — foreign nationals who are allowed to enter the United States temporarily for specific employers. Farm

See MIGRANTS, Page 17

Germany to Transfer Telekom Stake to Bank

Bonn Seeks Sale to Strategic Investor

Compiled by Our Staff From Dispatches

BONN — The government said Thursday it would transfer a 25 percent stake in Deutsche Telekom AG to a state bank, in a move that could help the government raise money without flooding the market with Telekom shares.

The two-stage transfer will raise between 10 billion Deutsche marks ($5.81 billion) and 15 billion DM for the government in both 1997 and 1998, said the bank, Kreditanstalt fuer Wiederaufbau. Deutsche Telekom said it would seek a "strategic investor" to take over the stake from the bank.

German government sources have said the sale could raise as much as 25 billion DM over two years, but it was unclear whether Bonn would be able to use the funds to meet the budget targets for monetary union.

"It is a pure accounting trick," said David Brickman, European economist with Yamaichi International. "It will not help them qualify for European monetary union at all."

European countries are struggling to cut their annual deficits to 3 percent of gross domestic product and their overall debt to 60 percent of GDP this year to qualify for monetary union, scheduled to be launched on Jan. 1, 1999. The French government decided last year to transfer 37.5 billion French francs ($6.45 billion) from France Telecom SA's pension fund to its budget to meet the conditions.

"The France Telecom move is far worse because it increases the liability of the state," Mr. Brickman said. He said the Telekom sale could reduce Germany's deficit-to-GDP ratio to between 61 percent and 61.5 percent.

Investors welcomed the accord between Telekom and the government. The government sold a 24 percent stake in the company in November in Germany's largest initial public offering ever and would have had to change the law to sell more shares to the public before 2000.

"I think it is an acceptable solution," said Rolf Knigge, head fund manager at Metzler Investment GmbH. "The government gets its money and no new shares come onto the stock market."

Telekom said it would look to "current and future international partners" to take over the stake. "This will increase the company's flexibility in order to become a global player," said Telekom's chief executive, Ron Sommer, on Thursday.

Telekom, France Telecom and Sprint Corp. are partners in Global One, an international telecommunications company. The German and French companies each own 10 percent of Sprint.

"I think it will be hard to find a partner, because the Telekom stake is so large," Mr. Knigge said. He said Telekom would probably have to swap stakes with a partner rather than sell the stake for cash.

"It's a very clever move by Deutsche Telekom especially if they chose a partner in Asia such as Nippon Telegraph & Telephone in Japan," said Hans Peter Neuroth of Oppenheim Finanzanalyse.

Telekom shares fell 40 pfennig to 42.50 DM.

After the transfer to the bank in two stages, the government's 75 percent stake in the company will be pared to about 50 percent. Analysts say an equity swap between Deutsche Telekom and France Telecom is possible to anchor their strategic alliance, but only if France Telecom is privatized.

(Bloomberg, Reuters)

■ Money Union Under Threat

A senior Bundesbank policymaker has said that Europe's planned monetary union is threatened by "fundamental dissent" between France and Germany and by a lack of political cohesion, Reuters reported from Frankfurt.

Reimut Jochimsen, a Bundesbank council member, said economic and monetary union "hangs in the balance" because last week's Amsterdam summit meeting of European Union leaders had failed to give a solid basis for further political integration.

"I'm not against the euro," he said Wednesday. "It can be a good thing if the political and economic preconditions are right. They are not at present."

Paris Denies Reports Of France Telecom Sale

'No Decision Made,' Jospin Spokesman Says

Compiled by Our Staff From Dispatches

PARIS — Confusion deepened Thursday over the government's plans to sell shares in the state-owned phone company, France Telecom, as a spokesman for Prime Minister Lionel Jospin denied press reports that the sale would proceed in the autumn.

The secretary of state for industry, Christian Pierret, came out in favor of at least a partial sale, and a government source said Finance Minister Dominique Strauss-Kahn also favored a partial sale of France Telecom.

But Manuel Valls, the spokesman for Mr. Jospin, stressed that "no decision has been made."

"We have three objectives," Mr. Pierret said in an interview with the Paris newspaper Liberation. "Consolidate France Telecom's position as a leading European operator, guarantee its independence and allow it to reach a critical size on the international market. To my mind that implies at least some exposure to the markets."

France Telecom's initial public offering was thrown into doubt by the election June 1 of a Socialist-led government, which had pledged during the campaign to stop state asset sales. Mr. Jospin said last week that he remained "hostile" to the sale of state-owned companies, without explicitly ruling out the sale of France Telecom.

Any decision to indefinitely cancel the offering, which would be the biggest in French history, could throw into doubt France's ability to qualify for the European Union currency, the euro. It could also hinder France Telecom's ability to forge international alliances with private companies, analysts said.

Mr. Jospin has said he wanted to consult France Telecom staff before deciding whether to proceed with the privatization. The sale was expected to generate from 30 billion to 50 billion francs ($5.2 billion to $8.6 billion).

"The government wants to find a face-saving way of selling shares in France Telecom," said Elie Cohen, a member of France Telecom's board of directors until last year and an economist at the National Center for Scientific Research.

"The problem is reconciling the financial needs of the state and the campaign commitments of Jospin."

Mr. Cohen said the government was likely to try to swap shares with France Telecom's international partners, Deutsche Telekom AG and Sprint Corp., at the same time that it sold shares on the market and to France Telecom employees. It could then justify the sale of shares on the market by saying it was part of a broader attempt to improve the company's international alliances.

(AFX, Bloomberg, Reuters)

Thinking Ahead /Commentary

Americans, if Wise, Should Not Knock the Euro

By Reginald Dale
International Herald Tribune

CERNOBBIO, Italy — The latest trials and tribulations of Europe's move in Europe toward a single currency, the euro, have been greeted with undisguised glee by many U.S. commentators.

It is as if some Americans feel that uppity Europeans deserve to be punished for wanting their own version of the dollar — and that a squabbling Europe is somehow preferable and more reassuring than one that is growing stronger.

Many of the Americans who criticize the euro hope it will not survive European policy differences over whether priority should go to fighting inflation, as Germany insists, or to creating jobs, as France wants — a difference that has emerged more openly since the French Socialists' election victory in June.

Fortunately, these were not the views of a sophisticated group of U.S. policymakers and analysts who met here on Lake Como this week with European counterparts at a conference organized by the Council for the United States and Italy.

Now that the euro is well on the way, said William McDonough, president of the Federal Reserve Bank of New York, it is "absolutely in the best interests of the United States" that it succeed. A massive leadership failure in Europe, the closest U.S. geopolitical partner, would not be in America's interest.

Such a failure would also, of course, provoke a crisis of economic and political confidence in Europe itself, a crisis that would also certainly lead to even higher unemployment, social unrest and perhaps collapse of the European Union's single market.

History suggests that if the euro succeeds, American companies will benefit immensely from a more smoothly functioning single market and a much bigger and more efficient capital market.

But there is still great skepticism among American economists — not so much over whether the euro will start on time in January 1999 as over its fate thereafter.

Otto Graf Lambsdorff, a leading member of the Free Democrats in Germany, said hardly any respectable American economists were forecasting success for the euro, and that even the Federal Reserve Board chairman, Alan Greenspan, had doubts.

One distinguished American participant here admitted, however, that American and British economists tend to decide they do not like the euro, and then they think up reasons why it won't work — just as economists from the Continent search for reasons it will work.

Some Americans argue that it would be easier for the Europeans to restructure their economies and to tackle unemployment without the policy constraints imposed by the euro. But many Continental Europeans tend to believe the euro is part and parcel of the solution.

The Europeans are probably right. Competition in the single-currency area should force participating nations to become more efficient and to open up their labor markets, as virtually every economist believes is necessary.

Already, said Fabrizio Saccomanni of the Bank of Italy, the rules for euro membership contained in the European Union's Maastricht Treaty have been "a tremendous force for adjustment and liberalization."

But Mr. Saccomanni insisted it would be a fallacy to suppose that a "broad" euro comprising 11 nations, including Italy, would necessarily be a weak currency. The euro's value will depend primarily on the participating central banks, all of which are following tough anti-inflationary policies.

If they were not doing so, Germany would never agree to launch the euro. The final decision will depend on politics more than on economics, which is why the arguments of American economists will ultimately be irrelevant.

Nobody can be sure that it will work. But instead of rejoicing in misfortunes of the euro, Americans should be hoping that it will succeed.

6 Quit NatWest In the Wake of Pricing Scandal

Bloomberg News

LONDON — National Westminster Bank PLC said Thursday that six investment bankers had resigned from its markets' unit because they shared responsibility for an options pricing scandal that cost the bank £90 million ($150 million).

The bank also confirmed that it had lost a net £77 million after declining to pay some bonuses and taking money from a reserve fund. It said it was implementing new systems for checking the pricing of securities.

In March, NatWest Capital Markets said a trader — later identified as Kyriacos Paponis, a former employee — had reported the wrong prices in options trades to cover up losses. The bank's summary of a report on the scandal said that the independent system for checking prices of interest rate options were not "sufficiently robust."

CURRENCY & INTEREST RATES

Cross Rates

June 26

	$	£	DM	FF	Lire	DFl	BF	SF	Yen	C$	Peseta
Amsterdam	1.946	3.244	1.1258	0.3306	0.1152*	—	5.464*	1.3519	1.7115*	1.4895	133.15*
Brussels	33.602	55.42	19.4395	5.72	2.1125*	18.335	—	24.755	0.3134	25.64	24.475*
Frankfurt	1.7265	2.8768		0.2965	0.1054*	0.0884	4.846*	1.1991	1.5195*	1.2371	1.1035*
London (s)	1.4445	—	2.3865	0.7198	0.3564*	0.2926	11.4084	2.389	189.086	2.2889	243.534
Madrid	148.978	243.191	84.459	25.026	8.847*	75.059	4.1045	101.417	128.425*	104.549	—
Milan	1,417.35	2,312.8	977.11	289.54	—	868.05	47.303	1,172.98	14.857	1,209.30	11.562
New York (s)	—	1.6655a	1.726	5.02	1.698.00	1.943	35.62	1.4365	113.17	1.3818	145.935
Paris	5.6288	9.7155	3.3747	—	0.3454*	2.9981	0.0425	4.1569	3.3797*	4.174	3.9535*
Tokyo	114.39	198.01	68.27	19.62	8.079	58.03	2.3097	79.44	—	81.82	0.7847
Toronto	1.382	2.3813	0.8206	0.2373	0.0818*	0.711	0.0283*	0.962	1.221*	—	0.947*
Zurich	1.4381	2.3856	0.8228	0.2469	0.0852*	0.7397	4.0933*	—	1.3481*	1.0401	0.985*
1 ECU	1.1369	0.6824	1.9472	6.4388	1.972.38	2.2744	40.5927	1.4389	129.42	1.2996	144.243
1 SDR	1.3741	0.816	2.4069	8.1258	2,347.89	2.7189	48.6282	2.0074	159.065*	1.9462	203.48

Quotes in Amsterdam, London, Milan, Paris and Zurich, listings in other centers New York at 4 P.M. and Telerate rates at 3 P.M.
*a: To buy one pound; b: To buy one dollar. *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9986	Greek drac.	272.14	Mex. peso	7.947	S. Afr. rand	4.5085
Australian $	1.3208	Hong Kong $	7.7455	N. Zealand $	1.4562	S. Kor. won	888.05
Austrian sch.	12.168	Hung. forint	185.23	Norw. krone	7.2638	Saud. riyal	3.7512
Brazil real	1.07765	Indian rupee	35.81	Phil. peso	26.37	Taiwan $	27.86
Chilean peso	0.521	Indo. rupiah	2430.5	Polish zloty	3.24	Thai baht	25.30
Czech koruna	31.76	Irish £	0.6653	Port. escudo	173.98	Turkish lira	146340.
Danish krone	6.564	Israeli shek.	3.5542	Russ ruble	5766.5	UAE dirham	3.675
Egypt. pound	3.3952	Kuw dinar	0.30	Saudi riyal	3.75	Venez. bolív.	485.75
Fin. markka	5.1405	Malay. ring.	2.5208	Sing. $	1.4273		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6655	1.6640	1.6625	Japanese yen	113.14	112.64	112.14
Canadian dollar	1.3935	1.3907	1.3876	Swiss franc	1.4248	1.4298	1.4343
Deutsche mark	1.7239	1.7203	1.7162				

Source: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo).

Libid-Libor Rates

June 26

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5⅛ - 5⅛	3 - 3⅛	1⅝ - 1⅞	6⅜ - 6⅝	3¼ - 3⅜	½ - ⅝	4 - 4⅛
3-month	5⅛ - 5⅛	3 - 3⅛	1⅝ - 1⅞	6⅜ - 6⅝	3⅜ - 3⅝	½ - ⅝	4⅛ - 4⅜
6-month	5⅜ - 5⅜	3⅛ - 3⅜	1¾ - 1⅞	6⅝ - 7	3⅝ - 3¾	⅝ - ¾	4⅛ - 4⅜
1-year	6 - 6⅛	3⅛ - 3⅜	1⅞ - 1⅝	7⅛ - 7⅜	3⅝ - 3½	⅝ - ⅝	4⅛ - 4¼

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev	Britain		
Discount rate	5.00	5.00	Bank base rate	6¼	6¼
Prime rate	8½	8½	Call money	6⅛	6⅛
Federal funds	5⅛	5⅛	1-month interbank	6⅛	6⅛
90-day CDs dealers	5.66	5.66	3-month interbank	6⅛	6⅛
180-day CP dealers	5.56	5.56	6-month interbank	7	7
3 month Treasury bill	5.00	4.99	10-year Gilt	7.08	7.08
1-year Treasury bill	5.34	5.34			
2-year Treasury bill	6.03	6.02	France		
5-year Treasury note	6.25	6.21	Intervention rate	3.10	3.10
7-year Treasury note	6.36	6.36	Call money	3⅜	3⅜
10-year Treasury note	6.41	6.43	1-month interbank	3¼	3⅜
20-year Treasury bond	6.78	6.73	3-month interbank	3⅜	3¼
Merrill Lynch 30-day RA	5.05	5.05	6-month interbank	3⅜	3⅜
Japan			10-year OAT	5.55	5.66
Discount rate	0.50	0.50			
Call money	0.46	0.5			
1-month interbank	0.55	0.55			
2-month interbank	0.58	0.58			
6-month interbank	0.66	0.66			
10-year Govt bond	2.69	2.72			
Germany					
Lombard rate	4.50	4.50			
Call money	3.05	3.03			
1-month interbank	3.10	3.16			
3-month interbank	3.13	3.13			
6-month interbank	3.15	3.17			
10-year Bund	5.63	5.66			

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	N.A.	338.00	+0.15
London	337.90	336.95	—1.50
New York	339.20	339.80	+0.80

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Aug.)
Source: Reuters.

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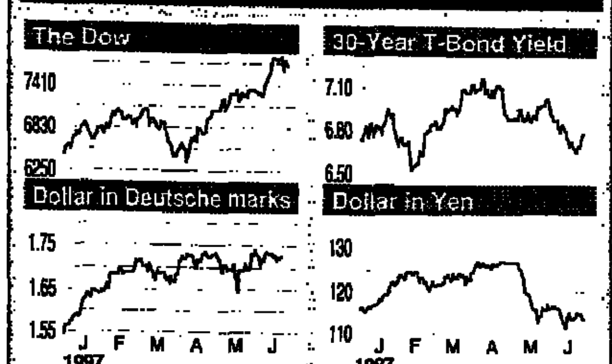
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Investor's America



Exchange	Index	Thursday @4PM	Prev. Close	% Change
NYSE	The Dow	7654.25	7689.98	-0.46
NYSE	S&P 500	883.68	888.99	-0.60
NYSE	S&P 100	861.07	866.15	-0.59
NYSE	Composite	460.93	462.90	-0.43
U.S.	Nasdaq Composite	1436.37	1446.24	-0.68
AMEX	Market Value	616.10	619.24	-0.51
Toronto	TSE Index	6452.80	6504.10	-0.79
São Paulo	Bovespa	12873.97	13053.34	-1.37
Mexico City	Bolsa	4453.27	4382.96	+1.60
Buenos Aires	Merval	811.52	819.64	-0.99
Santiago	IPSA General	5717.99	5719.15	-0.02
Caracas	Capital General	8566.13	8395.77	+2.03

Source: Bloomberg, Reuters International Herald Tribune

Pregnancy Test With a Twist

By Tamar Charry
New York Times Service

NEW YORK — Pregnancy is about to take a turn for the surrealistic. Unilever has enrolled the notoriously offbeat filmmaker David Lynch to direct a television campaign for a new home pregnancy test.

The commercials for the test, Clear Blue Easy One Minute, offer a toned-down version of Mr. Lynch's trademark style of dreamlike sequences and irrational events, which he has displayed in such films as "Blue Velvet" and the television series "Twin Peaks."

In the spots, by Ogilvy & Mather in New York, a woman stands in her bathroom and watches the crucial minute tick past. As she waits to learn whether she is pregnant, the numbers on the watch face turn into "yes" and "no." Then the "hot" and "cold" labels on her sink faucets, and even drops of water falling from the spigot, do the same.

"When you're waiting to find out if you're pregnant or not, nothing else in the world matters until you know," an announcer says as the woman waits.

As the spots close, the woman smiles mischievously when she gets her answer, though viewers never learn whether she is expecting.

"When we went to consumers in the storyboard stage, they told us the basic idea totally captured the way that women feel when they think they're pregnant," said Natasha Kavanagh, the management supervisor for the campaign at Ogilvy & Mather, part of the WPP Group.

"This is a very different kind of advertising than is typically done for this category," she added, "which tends to be rather uninteresting and predictable." The $7 million campaign for the one-minute test, which consists of three commercials — one 30 seconds long and two 15 seconds long — will run nationally in the United States starting Monday.

Mr. Lynch, who declined to be interviewed for this article, apparently expressed interest in the campaign early, when the agency was showing the storyboards for the spots to several directors. At first, his interest surprised both Unilever and Ogilvy & Mather.

In the last nine years, he has directed commercials for 10 other campaigns, including Opium perfume by Yves Saint Laurent and public service announcements for the American Cancer Society.

In addition to "Blue Velvet," released in 1986, his film credits include his 1976 debut, "Eraserhead," and "The Elephant Man" in 1980, "Wild at Heart" in 1990 and "Lost Highway" in 1996.

Rising Bond Yields Hit A Jittery Stock Market

Compiled by Our Staff From Dispatches

NEW YORK — Stocks fell Thursday, pressured by rising interest rates in the credit market, where bond prices were weighed down by signs that inflationary pressures persist.

The Dow Jones industrial average fell 35.73 points, to 7,654.25, as the number of declining issues outnumbered the number of advancing ones by a 8-to-7 ratio.

The Dow has seesawed through the past three sessions, losing nearly 200 points on Monday, gaining more than 150 on Tuesday, then losing 68 on Wednesday.

Analysts said investors were indecisive about the outlook for profits and interest rates. "Profit growth is becoming an issue for some investors," said Ned Riley, chief investment officer at BankBoston. While he sees the inflation and interest rate environments as positive, "the level of the market is causing anxiety among investors."

Because stocks are trading at such high valuations, based on prospects for their long-term earnings, the stock market is very sensitive to the bond market, interest rates and inflation, said Barbara Marcin, vice president of Citibank Global Asset Management.

Investors were jittery before next week's Federal Reserve Board meeting, even though many analysts said they did not believe the central bank would raise interest rates amid signs that the economy is slowing and inflation remains subdued.

Treasury bonds fell for a second day after a bigger-than-expected drop in new unemployment claims fueled concern a booming job market will push the Fed to raise interest rates in coming months to keep inflation from rising quickly. A saturated job market can cause wages and prices to rise quickly.

The benchmark 30-year Treasury bond fell about 18/32, to 98 1/32, pushing the yield up to 6.78 percent from 6.73 percent on Wednesday.

The Labor Department said the number of workers filing for state unemployment benefits for the first time fell 14,000 to 332,000 last week, the lowest level in four weeks. Analysts had expected a drop of about 5,000 jobs.

Despite many signs the economy is slowing from its sizzling first-

U.S. STOCKS

quarter pace, a banking trade group is urging the Federal Reserve to raise interest rates slightly.

Joel Naroff, chairman of the American Bankers Association's Economic Advisory Committee, said the panel had urged Fed governors at a meeting Wednesday to raise short-term rates by a quarter percentage point this summer.

"Taking action to raise rates would be an appropriate step to keep inflation in check and extend the current expansion," Mr. Naroff, chief economist at First Union, said. The Fed's policy-making Open Market Committee meets next week to decide whether to adjust rates.

Among broad stock indexes, the Nasdaq composite index fell 9.87 points to 1,436.37, and the Standard & Poor's 500-stock index slid 5.31 points to 883.68.

Core Industries shares rose 1 7/16 to 24 11/16 after United Dominion Industries said it would buy the maker of hydraulic controls for farm and construction equipment for about $330 million. United Dominion also agreed to buy Imo Industries, a maker of analytical and optical instruments, for $440 million. Shares in Imo rose 2½ to 5⅞.

American depositary receipts representing shares in SmithKline Beecham PLC rose 1 9/16 to 90 5/16 after the British drug company said the U.S. Food and Drug Administration had cleared its hepatitis A vaccine for use in patients with chronic liver disease.

Komag fell 6 15/16 to 16¾ after the maker of thin-film disks for computer disk drives said earnings for the rest of the year would be below expectations because of weak demand for high-end drives, and lower orders from Seagate Technology, a major customer.

(AP, Bloomberg, Reuters)

Very briefly:

Pennzoil Sues Union Pacific

HOUSTON (AP) — Pennzoil Co. has sued Union Pacific Resources Group Inc. in an attempt to stop an unsolicited $4.2 billion hostile takeover bid.

The lawsuit charges that Union Pacific has not disclosed the negative earnings impact the deal could have on some of the stock Pennzoil shareholders would receive in the deal.

Union Pacific made its offer for Pennzoil early this week, offering to pay $84 a share in cash for 50.1 percent of Pennzoil's stock. The other Pennzoil shareholders would receive Union Pacific Resources stock valued at $84 for each of their shares.

Carnival Bids for Cruise Line

MIAMI (Bloomberg) — Carnival Corp. said it offered to buy Celebrity Cruise Line Inc. for $525 million, topping last week's $500 million bid from Royal Caribbean Cruises Ltd.

Royal Caribbean on June 17 offered to acquire Celebrity for a mix of cash and stock. With assumed debt of $800 million, the transaction was valued at $1.3 billion.

The rival cruise lines are seeking to bolster their shares of the market as baby boomers become older and wealthier. About 5 million vacationers are expected to book North American cruises this year, up from 4.65 million last year, according to Cruise Lines International Association.

• **Lehman Brothers Holdings Inc.**, the fourth-largest U.S. securities firm, said its earnings for its second quarter, ended in May, rose 12 percent, to $121 million, or 95 cents a share, from $108 million, or 89 cents, a year earlier.

• **Ameritech Corp.**'s bid to offer long-distance phone service in Michigan should be rejected, the Justice Department said. The recommendation to the Federal Communications Commission is a major blow to Ameritech's effort to enter the $80 billion long-distance business by offering service from its local-calling region. *Bloomberg, Reuters*

TIMES: *Thai Entrepreneur Suspends Daily's Publication*

Continued from Page 13

speculation that the paper was in trouble.

"Asia Times was a grand idea," a regional media analyst, who asked not to be identified, said.

"But in the English-language daily newspaper market, you cannot do a newspaper across a wide area without putting in an enormous amount of money, and he obviously didn't have it."

Asia Times, which had a print run of 70,000 but did not disclose detailed sales figures, struggled to generate advertising sales and sell subscriptions, prompting it to give away newspapers for free.

"I don't think the Asia Times' closure is temporary," the media analyst said.

Although the Asia Times will continue to publish on its World Wide Web site, www.asiatimes.com, employees at the newspaper said it was unclear whether they would keep their jobs.

"How can you continue to work for a newspaper that doesn't print for two or three months?" said an Asia Times correspondent who asked not to be identified. "Sondhi says he will get a new publisher but I don't know whether people will trust him anymore."

March salaries were paid late. But in recent months, the correspondent said, salaries were paid on time and in full, leading staff to believe Mr. Sondhi would inject more money into the newspaper, which sources said was losing $1 million a month.

Mr. Sondhi had said he would spend $60 million to make the Asia Times a household name and use it as the platform to launch a rival Asian satellite network to Mr. Murdoch's STAR-TV, which beams television programming into 54 million homes mainly in Asia.

Unexpected Rate Rise Props Canadian Dollar

Compiled by Our Staff From Dispatches

NEW YORK — The Canadian dollar soared against the U.S. dollar on Thursday after the Bank of Canada surprised traders by raising interest rates for the first time in more than two years.

The U.S. currency, meanwhile, fell against the yen on speculation Japanese interest rates might rise soon, but the dollar gained against the Deutsche mark on talk of lower German rates.

Canada's central bank raised its target for overnight lending to commercial banks by a quarter of a percentage point, to a range of 3 percent to 3.5 percent. It made the move to bolster the Canadian currency, which earlier Thursday fell to its lowest level in almost two months.

"The Bank of Canada's move caught the market off guard, but it looks like they got exactly the reaction they wanted," said Marcel Kasumovich, an economist with Goldman Sachs Canada.

In 4 P.M. New York trading, the U.S. dollar was at 1.3818 Canadian dollars, down from 1.3943 Wednesday. Canada's central bank cut interest rates 5 percentage points between May 1995 and November 1996 to spur domestic spending.

The U.S. dollar, meanwhile, was at 113.17 yen, down from 113.80

FOREIGN EXCHANGE

yen late Wednesday. But it rose to 1.7260 DM from 1.7233 DM.

The dollar fell to 1.4365 Swiss francs from 1.4380 francs Wednesday. It rose to 5.8200 French francs from 5.8170 francs. The pound rose to $1.6655 from $1.6633.

The U.S. dollar fell against the yen after a report citing an unidentified Japanese central banker fueled concern Japan might soon raise interest rates from record lows.

The Bank of Japan hopes to raise its discount rate, now at 0.5 percent, the official said.

The U.S. currency gained against the mark after a Bundesbank official triggered speculation the German central bank might cut interest rates.

Reimut Jochimsen, a member of the Bundesbank policy-making council, said he "would not rule out another rate cut," to spur economic growth in Germany. *(Bloomberg, Bridge News, Market News)*

AMEX

Thursday's 4 P.M. Close

The top 300 most active shares, up to the closing on Wall Street.
The Associated Press.

Stock	Sales	High	Low	Latest	Chge
AMC	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ARC	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ARM Fn n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ARM F pf	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
AVIC Gp n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
AckGrp s	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
AcmeU	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
AirWat	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Alamco	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Almagd s	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
AHargan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Allin	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
AlloyH	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Alpnata	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
AltLiving n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Amdhl	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
AExpl	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
AmList	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
AmerPgg	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ATechC	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ampal	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ampex	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Andrea	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
AngMtg	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
AppleOrl n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ArmorH	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
AstLmag	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ashnlc	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
AtlTele	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Audvox	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Autotote	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Azurgen un	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Azco	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BAT Ind	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BarrLab s	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BayMea	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BSJpn wt	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BemaGold	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BestPh	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BioR A	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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BlondT	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Bowne	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Brandyw s	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BrillDig n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Buffton	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CFX Cp	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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ColLb	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Comforce	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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DI Ind	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
DakotaM	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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DanlHd	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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Daxor	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
DevnE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
DigPwr n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
DimTic	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
DryMu	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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EnzoBl	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Equisure n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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FAusPr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
FtCtrl	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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FreqEl	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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GST Tele	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Gamali	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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Gencars	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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Harken	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Hasbro s	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
HawAir	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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HighldInc	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
HomeVil n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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Instron	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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IntegTc wt	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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Jonelnt	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
KV Ph B	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
KV Ph A	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
KatoH	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Kaneb s	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
KeyEng	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
LXPBlot	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
LaBarg	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
LsrTc wt	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
LBVarn	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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MaliEtEgt	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Manton	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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Medig	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Medtox	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Merlil wt	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ML HI01 n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ML TTY n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Meteor n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Metrotrs	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Metromda	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
MichAnl	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
MidABc	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
MoogA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
MS TMX	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
MSNIK 97wt	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
MuniMtg n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Munivst	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
MuvyAZ	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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Nabors	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
NtPatnt	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Natmed n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
NYTEl	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
NY Times	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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Novex s	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
NA Vacc	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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Nstor n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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Oncor	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Organgn s	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Oshman	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
PC Quote	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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PMC CT	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
PamHld	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
PanAmC n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
PegGld	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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PlxRsc	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Polymd	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Polyph	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
PrdLq	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
PrcCm	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Prcall s	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
PropCT s	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
PsycCp	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
RF Pow	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Pelto	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
RegalBel	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
RobertsPh	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
RoyalO g	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SC Bcp	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SemaPel s	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SagaCm s	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SBYen wt98	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ScalBcp	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Selas	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Selicate n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SentryT n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ShefldMd	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Silco	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SmllBln	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ocSafigen	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SpcCtn	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SPDR	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SP Mid	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
StarlCo	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
StlVentA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
StrucCmp	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SwissArmy	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Selsrc	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Teom	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TelData	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TesBlotch	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Thermed	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ThmBio n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ThCardio	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TrmEco s	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ThrFbr n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ThrmFb	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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ThrQuh	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TrmoSen	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ThmTer	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ThrVoll s	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Thrmtrx	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Thmqst	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Thrmotr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Topsrce	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TotlPet	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TownCty	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TNA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Transmd	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tmzn	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TransMed n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Trifitech	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tubhnp	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
USFCP	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
UTI Eng	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Unilab	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Unimar	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
UnlgAlf	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
USBiosci	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
US Cel	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
VKAgM2	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
VKSel5	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Viacom	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ViacB	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Viac wC	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ViaGG	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
VentNd	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
WRIT	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Wellshd n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
WRKET	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
WirelssT	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
WEBAstia	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
WEB HK	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
WEB Jpn	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
WEB Mal	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
XCL Ltd	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Xytron	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	7675.96	7739.24	7594.08	7654.25	-35.73
Trans	7733.77	7755.27	7698.98	7709.08	-29.06
Util	224.10	225.35	223.74	224.32	-0.11
Comp	2361.64	2378.09	2337.82	2352.34	-13.57

Standard & Poors

	Previous High	Previous Low	Previous Close	Today 4 P.M.
Industrials	1059.86	1036.26	1044.91	1039.30
Transp.	644.08	634.17	637.48	628.57
Utilities	197.40	195.01	195.88	195.89
Finance	104.08	101.66	102.16	101.17
SP 500	902.09	882.24	888.99	883.68
SP 100	880.74	858.83	866.15	861.07

NYSE

	High	Low	Last	Chg.
Composite	464.95	458.94	460.93	-1.97
Industrials	588.43	580.71	583.61	-2.15
Transp.	418.99	410.61	413.02	-4.58
Utility	282.70	280.38	281.10	-0.53
Finance	428.61	422.39	423.73	-2.95

Nasdaq

	High	Low	Last	Chg.
Composite	1447.63	1435.26	1436.37	-9.85
Industrials	1170.22	1164.15	1165.30	-2.44
Banks	1612.73	1606.62	1610.08	+0.16
Insurance	1649.39	1632.44	1634.28	-15.18
Finance	1911.06	1902.49	1904.15	-6.58
Transp.	945.70	940.52	943.60	+2.01

AMEX

High	Low	Last	Chg.
619.49	615.69	616.10	-3.14

Dow Jones Bond

	Close	Chg.
20 Bonds	102.85	– 0.40
10 Utilities	100.13	– 0.30
10 Industrials	105.58	– 0.49

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
Seagate s	58668	33¾	32½	33¼	-½
Motorola	51372	77¼	75⅞	76¼	+1⅛
Imoind	48530	5⅞	5⅝	5⅝	+2½
PhilMor s	45654	43⅛	42½	42⅝	-⅛
IBM s	40758	92⅝	90⅞	90⅞	-1⅛
PharUpj	38465	34½	32¾	34⅛	-1⅛
RPR	37291	91⅛	90⅝	91⅛	+11⅝
GenElec s	37094	65⅝	64	64⅝	-⅞
Boeing s	35477	54⅞	53⅝	53⅝	-1⅛
Exxon s	35436	62⅛	60⅞	61⅛	+⅛
PepsiCo	35296	37⅛	36⅝	37	-⅛
MicrnT	34343	42⅝	41⅝	41⅝	-1⅝
Chrysir	33541	33⅛	32¾	33⅛	+⅛
TelBrasl	32854	159⅛	154⅞	155⅞	-⅞
AT&T s	32025	36⅛	35⅝	36⅛	-⅛

Nasdaq

	Vol.	High	Low	Last	Chg.
Komag	171700	17	15⅞	16¾	-6⅞
3Com	117913	47⅛	46⅛	46⅝	-1⅛
Intel	111277	146⅛	143⅝	143⅝	-3
Atmel	98474	27⅛	25	27⅛	+1⅞
Quantum s	91392	20⅛	19⅛	19⅛	-1⅛
Cisco	78786	69⅛	67	67⅛	-1⅛
Ascend	63701	40⅛	39⅝	40	-⅛
Camelot	60582	⅛	⅛	⅛	-⅛
Uronih	52498	6⅛	4⅛	5⅛	-⅛
Oracle	51037	51⅛	50⅛	50⅛	-⅛
Godzooks	48849	22	18⅛	20⅛	-⅛
ReadRt	47528	20⅛	19⅛	20⅛	-2⅛
Microsft s	46433	130⅛	127⅛	128⅛	-2⅛
Novell	46271	6⅛	6⅛	6⅛	-⅛
ApldMat	44350	74⅛	71⅛	72⅛	-⅛

AMEX

	Vol.	High	Low	Last	Chg.
SPDR	24927	89⅛	87⅛	88⅛	-⅛
WEBAstia	22254	11⅛	11½	11⅛	+⅛
ViacB	19928	29⅛	29⅛	29⅛	-1
JTS Corp	9733	⅛	⅛	⅛	
Unilab	7139	1	⅛	1	+⅛
Harken	6978	6⅛	6⅛	6⅛	
RoyalO g	5903	2⅛	2⅛	2⅛	-⅛
TWA	5464	8⅛	8⅛	8⅛	+⅛
GST Tele	5281	10⅛	9⅛	10⅛	+⅛
Crystlx gn	5099	4⅛	3⅛	4⅛	-⅛

Trading Activity

NYSE

	Close	Prev.
Advanced	1331	1283
Declined	1469	1539
Unchanged	606	575
Total issues	3406	3397
New Highs	166	269
New Lows	15	18

Nasdaq

	Close	Prev.
Advanced	1677	1928
Declined	1667	2210
Unchanged	2149	1589
Total issues	5493	5727
New Highs	139	287
New Lows	78	95

AMEX

	Close	Prev.
Advanced	279	287
Declined	288	308
Unchanged	164	156
Total issues	731	751
New Highs	43	51
New Lows	6	5

Market Sales

	Today 4:00	Prev. cons.
NYSE	505.18	724.70
Amex	25.07	32.08
Nasdaq	572.58	672.90

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
AARP Grw Income	-	.31	6-25	6-30
AARP US Stk Indx	-	.065	6-25	6-30
Allied Irish Bks	b	.7701	7-3	9-24
Keystone GvSec A	-	.05	6-25	7-7
Keystone GvSec B	-	.044	6-25	7-7
Keystone GvSec C	-	.044	6-25	7-7
Keystone Wld Bd	-	.052	6-25	7-7
Price T Rowe Bal	-	.14	6-25	6-27
Price Rowe Div	-	.09	6-25	6-27
Price Eq Inco	-	.15	6-25	6-27
PriceRowe Eqin	-	.08	6-25	6-27
PriceRowe Eqin	-	.09	6-25	6-27
PriceRowe Gr Inco	-	.12	6-25	6-27
Price R Pers Strat	-	.14	6-25	6-27
Price R PersStrt	-	.32	6-25	6-27
Price R Pers Value	-	.05	6-25	6-27
Scudder EmrgMkt	-	.27	6-25	6-30
Scudder Intl	-	.05	6-25	6-30
STOCK SPLIT				
DAKA Intl 1 share of Unique Cos Rest for each share held.				
Natl Penn Bncshrs 4 for 3 split.				
Pier 1 Imports 3 for 2 split.				
Technology Solution 3 for 2 split.				
REVERSE STOCK SPLIT				
CE Software 1 for 5 reverse split.				
INCREASED				
Green St Fincl	-	.11	7-11	7-23

Company	Per	Amt	Rec	Pay
Ntl Penn Bncshrs	Q	.28	7-31	8-17
Supervalu Inc	Q	.26	9-1	9-15
YEAREND				
Saskatch Wheat	A	.40	7-31	9-19
OMITTED				
Reliance Accep	-			
Total Petrol	-			
INITIAL				
Ocwen Asset Inv	-	.10	7-7	7-22
Pier 1 Import n	-	.035	7-16	7-30
Pfizer Inc n	-	.17	8-1	9-11
REGULAR				
AARP Bal Stk	Q	.18	6-25	6-30
Campbell Soup	Q	.1925	7-10	8-4
Dominguez Svcs	Q	.325	9-1	9-15
George Mason Bk	Q	.14	7-1	7-9
Herbalife Intl	Q	.15	7-25	8-1
NIPSCO Ind	Q	.45	7-31	8-20
PR Cement	Q	.19	7-14	8-11
Plenum Publish	q	.31	7-10	7-23
RCSB Fincl	Q	.15	7-15	8-1
Roanoke Gas	Q	.26	7-18	8-1
Sara Lee Cp	Q	.21	9-2	10-1
Tektronix Inc	Q	.15	7-11	7-28

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration. a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99.cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

June 26, 1997

Grains

CORN (CBOT) 5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	Opint
Jul 97	256	250	250¼	–6	53,813
Sep 97	242½	239	239¼	–3	52,758
Dec 97	241	238¼	238½	–2¼	139,824
Mar 98	247¼	246¼	246½	–1¼	20,078
May 98	252¼	251¼	251¼	–1	2,184
Jul 98	256½	255¼	255½	–1	5,437
Sep 98			252½	–1½	228

Est. sales N.A. Wed's. sales 76,669
Wed's open int 277,976 up 5471

SOYBEAN MEAL (CBOT) 100 tons- dollars per ton

	High	Low	Latest	Chge	Opint
Jul 97	269.00	263.40	263.90	–5.00	22,462
Aug 97	247.90	243.00	243.30	–4.10	21,674
Sep 97	228.70	226.30	226.70	–2.70	13,747
Oct 97	218.50	215.70	216.50	–2.90	13,105
Dec 97	213.80	211.00	211.40	–3.00	28,837
Jan 98	211.00	208.50	208.50	–2.70	3,013

Est. sales N.A. Wed's. sales 21,761
Wed's open int 108,390 off 568

SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb

	High	Low	Latest	Chge	Opint
Jul 97	22.73	22.28	22.36	–0.10	20,951
Aug 97	22.88	22.43	22.52	–0.10	21,812
Sep 97	23.03	22.66	22.68	–0.12	11,965
Oct 97	23.07	22.69	22.71	–0.08	13,135
Dec 97	23.19	22.88	22.84	–0.08	34,033
Jan 98	23.30	22.95	22.95	–0.13	3,257

Est. sales N.A. Wed's. sales 32,924
Wed's open int 108,453 up 3131

SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	Opint
Jul 97	816¾	798	800½	–16¼	29,830
Aug 97	755	742	743¾	–11¼	31,059
Sep 97	686½	675	676¼	–9	10,671
Nov 97	658	646	647½	–9½	60,986
Jan 98	658½	647½	649½	–9	9,608

Est. sales N.A. Wed's. sales 59,616
Wed's open int 147,927 off 679

WHEAT (CBOT) 5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	Opint
Jul 97	335	331	333	+1¼	18,501
Sep 97	344½	340	343	+3	31,231
Dec 97	356¾	352½	355½	+3	28,324
Mar 98	362	359¾	361½	+3¾	3,820

Est. sales N.A. Wed's. sales 23,299
Wed's open int 84,605 off 420

Livestock

CATTLE (CMER) 40,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Aug 97	64.10	63.57	63.80	+0.02	42,965
Oct 97	67.40	66.95	67.37	+0.27	24,291
Dec 97	69.85	69.45	69.80	+0.17	13,510
Feb 98	70.90	70.70	70.87	+0.05	6,679
Apr 98	73.02	72.77	72.87	–0.10	2,930
Jun 98	69.32	69.05	69.07	+0.02	1,280

Est. sales 11,143 Wed's. sales 10,130
Wed's open int 91,461 up 11

FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Aug 97	79.70	78.50	79.50	+0.90	10,260
Sep 97	79.10	78.22	79.07	+0.70	2,741
Oct 97	79.65	78.55	79.35	+0.57	3,468
Nov 97	80.75	79.95	80.45	+0.45	2,406
Jan 98	80.90	80.10	80.57	+0.40	873
Mar 98	80.55	80.50	80.52	+0.67	365

Est. sales 4,094 Wed's. sales 2,698
Wed's open int 20,540 up 193

HOGS-Lean (CMER) 40,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Jul 97	82.37	82.00	82.25	–0.15	7,529
Aug 97	79.12	78.50	78.92	–0.22	11,934
Oct 97	71.20	70.75	71.17	+0.12	7,513
Dec 97	67.62	67.15	67.32	–0.32	4,610
Feb 98	66.45	66.20	66.37	–0.15	1,921

Est. sales 5,926 Wed's. sales 5,309
Wed's open int 35,478 off 239

PORK BELLIES (CMER) 40,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Jul 97	82.35	80.85	82.10	+1.00	3,080
Aug 97	82.35	81.05	82.15	+0.85	3,046
Feb 98	70.75	68.72	69.55	–0.67	528

Est. sales 2,078 Wed's. sales 2,036
Wed's open int 6,679 off 161

Food

COCOA (NCSE) 10 metric tons- $ per ton

	High	Low	Latest	Chge	Opint
Jul 97	1675	1631	1660	+9	218
Sep 97	1722	1670	1698	+7	39,531
Dec 97	1755	1718	1736	+7	21,263
Mar 98	1780	1752	1768	+9	22,391
May 98	1804	1765	1782	+3	9,452
Jul 98	1810	1799	1799	+3	949

Est. sales N.A. Wed's. sales 12,003
Wed's open int 103,383 up 8298

COFFEE C (NCSE) 37,500 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Jul 97	202.00	189.00	190.25	–9.75	945
Sep 97	181.00	165.00	166.10	–14.05	11,139
Dec 97	158.25	146.00	146.25	–17.15	4,743
Mar 98	146.00	135.10	135.10	–10.40	2,294
May 98	135.50	130.85	130.85	–9.65	818

Est. sales N.A. Wed's. sales 4,630
Wed's open int 20,400 off 8402

SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Jul 97	11.19	11.10	11.11	–0.04	24,097
Oct 97	11.30	11.23	11.25	–0.01	91,436
Mar 98	11.27	11.23	11.25	+0.01	38,673
May 98	11.18	11.13	11.17	+0.02	8,164

Est. sales N.A. Wed's. sales 37,079
Wed's open int 167,832 up 1619

ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Jul 97	74.00	72.90	73.20	–0.45	8,912
Sep 97	76.80	75.65	76.05	–0.45	16,553
Nov 97	79.50	78.50	78.60	–0.75	5,469
Jan 98	82.30	81.50	82.00	–0.15	2,278

Est. sales N.A. Wed's. sales 5,774
Wed's open int 35,325 off 526

Metals

GOLD (NCMX) 100 troy oz.- dollars per troy oz.

	High	Low	Latest	Chge	Opint
Jun 97	338.50	337.20	338.50	+1.20	309
Jul 97			338.70	–0.80	3
Aug 97	340.90	338.10	339.80	–0.80	94,059
Oct 97	343.30	340.80	342.30	+0.80	8,064
Dec 97	345.70	343.10	344.80	+0.80	28,155
Feb 98	347.30	346.10	347.30	+0.80	8,850
Apr 98			349.60	+0.80	4,579
Jun 98	352.10	351.80	352.10	+0.90	8,190
Aug 98			354.70	+0.90	762

Est. sales N.A. Wed's. sales 24,440
Wed's open int 185,123 off 368

HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Jun 97	113.00	110.00	112.95	+3.25	553
Jul 97	112.00	109.10	111.95	+2.75	12,025
Aug 97	111.50	110.30	111.50	+2.55	2,828
Sep 97	111.10	108.90	110.90	+2.10	18,723
Oct 97	109.20	108.50	109.15	+1.85	1,253
Nov 97	108.00	107.80	108.00	+1.60	1,206
Dec 97	107.50	105.80	107.30	+1.50	6,764
Jan 98	105.50	105.40	105.40	+1.10	648
Feb 98	104.80	104.40	104.40	+0.90	542

Est. sales N.A. Wed's. sales 23,345
Wed's open int 49,941 off 3735

SILVER (NCMX) 5,000 troy oz.- cents per troy oz.

	High	Low	Latest	Chge	Opint
Jun 97			474.00	–1.30	2
Jul 97	477.50	468.00	474.00	–1.50	23,230
Sep 97	482.50	473.00	479.00	–1.50	37,542
Dec 97	489.50	480.00	486.80	–1.50	11,199
Jan 98			487.90	–1.50	18
Mar 98	495.00	488.50	492.90	–1.50	8,936
May 98	499.50	491.00	497.10	–1.50	2,815
Jul 98	501.30	498.00	501.30	–1.50	2,390

Est. sales N.A. Wed's. sales 25,979
Wed's open int 90,856 up 1906

PLATINUM (NMER) 50 troy oz.- dollars per troy oz.

	High	Low	Latest	Chge	Opint
Jul 97	417.50	410.20	413.00	+1.50	4,566
Oct 97	411.00	404.00	407.00	+2.00	9,522
Jan 98	404.00	401.00	401.50	–2.00	1,694

Est. sales N.A. Wed's. sales 4,196
Wed's open int 15,913 off 323

LONDON METALS (LME) Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1550½	1551½	1535.00	1536.00
Forward	1573.00	1574.00	1559.00	1560.00
Copper Cathodes (High Grade)				
Spot	2531.00	2536.00	2491.00	2496.00
Forward	2403.00	2404.00	2381.00	2382.00
Lead				
Spot	606½	607½	604.00	605.00
Forward	620.00	621.00	618.00	619.00
Nickel				
Spot	6950.00	6960.00	6925.00	6935.00
Forward	7065.00	7070.00	7040.00	7050.00
Tin				
Spot	5535.00	5545.00	5520.00	5530.00
Forward	5585.00	5595.00	5570.00	5580.00
Zinc (Special High Grade)				
Spot	1411.00	1412.00	1359.00	1360.00
Forward	1418.00	1419.00	1378.00	1379.00

Financial

US T. BILLS (CMER) $1 million- pts of 100 pct

	High	Low	Close	Chge	Opint
Sep 97	94.83	94.80	94.80	–0.01	7,412
Dec 97	94.64	94.63	94.63	–0.01	386
Mar 98			94.53		2

Est. sales N.A. Wed's. sales 271
Wed's open int 7,817 up 41

5 YR. TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct

	High	Low	Close	Chge	Opint
Sep 97	106-18	106-01	106-04	–13	210,461
Dec 97	105-50	105-50	105-50	–14	1,405
Mar 98			-01		

Est. sales N.A. Wed's. sales 43,031
Wed's open int 227,384 up 2041

10 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct

	High	Low	Close	Chge	Opint
Sep 97	108-17	107-31	108-02	–09	329,834
Dec 97			107-23	–09	4,789
Mar 98			107-11	–10	9

Est. sales N.A. Wed's. sales 78,224
Wed's open int 336,497 up 5257

US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)

	High	Low	Close	Chge	Opint
Sep 97	111-22	111-03	111-05	–18	423,796
Dec 97	111-12	110-24	110-24	–19	25,502
Mar 98	110-31	110-15	110-15	–19	2,205
Jun 98			110-06	–19	801

Est. sales N.A. Wed's. sales 378,751
Wed's open int 460,102 up 6399

LIBOR 1-MONTH (CMER) $3 million- pts of 100 pct

	High	Low	Close	Chge	Opint
Jul 97	94.31	94.30	94.31		20,424
Aug 97	94.28	94.27	94.27		13,759
Sep 97	94.24	94.23	94.22	–0.01	3,015

Est. sales N.A. Wed's. sales 9,339
Wed's open int 42,261 up 1662

LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct

	High	Low	Close	Chge	Opint
Jun 97	114-11	114-07	114-07	–0-04	999
Sep 97	114-02	113-22	113-30	Unch.	159,041

Est. sales: 59,328 Prev. sales: 82,943
Prev. open int.: 160,040 off 884

GERMAN GOV. BUND (LIFFE) DM250,000 - pts of 100 pct

	High	Low	Latest	Chge	Opint
Sep 97	101.95	101.57	101.88	+0.17	252,827
Dec 97	100.88	100.69	100.95	+0.18	8,348

Est. sales: 198,807. Prev. sales: 190,726
Prev. open int.: 261,175 off 3,519

10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct

	High	Low	Latest	Chge	Opint
Sep 97	129.44	129.06	129.42	+ 0.28	202,650
Dec 97	97.92	97.74	98.02	+ 0.24	2,097
Mar 98	97.14	97.14	97.42	+ 0.24	0

Est. sales: 143,760.
Open int.: 204,747 off 2,218

ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct

	High	Low	Latest	Chge	Opint
Sep 97	134.84	133.92	134.30	–0.28	95,321
Dec 97	N.T.	N.T.	106.75	–0.28	270

Est. sales: 74,287. Prev. sales: 69,945
Prev. open int.: 95,591 off 1,159

EURODOLLARS (CMER) $1 million-pts of 100 pct

	High	Low	Latest	Chge	Opint
Jul 97	94.22	94.19	94.20		35,051
Aug 97	94.17	94.17	94.17	–0.01	10,363
Sep 97	94.14	94.12	94.13	–0.01	561,758
Dec 97	93.95	93.91	93.93	–0.01	440,640
Mar 98	93.86	93.82	93.83	–0.02	293,365
Jun 98	93.75	93.71	93.71	–0.03	240,353
Sep 98	93.64	93.60	93.61	–0.04	201,414
Dec 98	93.54	93.49	93.50	–0.04	140,271
Mar 99	93.53	93.47	93.48	–0.04	105,913
Jun 99	93.47	93.42	93.44	–0.04	82,981
Sep 99	93.43	93.38	93.39	–0.05	74,181
Dec 99	93.35	93.30	93.31	–0.05	67,815

Est. sales N.A. Wed's. sales 431,521
Wed's open int 2,402,768 up 31675

BRITISH POUND (CMER) 62,500 pounds, $ per pound

	High	Low	Latest	Chge	Opint
Sep 97	1.6650	1.6580	1.6614		54,744
Dec 97	1.6574	1.6560	1.6568		404
Mar 98			1.6524		2

Est. sales N.A. Wed's. sales 11,745
Wed's open int 1 off 55540

CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr

	High	Low	Latest	Chge	Opint
Sep 97	.7325	.7198	.7272		40,077
Dec 97	.7350	.7245	.7311		2,592
Mar 98	.7400	.7283	.7344		530

Est. sales N.A. Wed's. sales 11,107
Wed's open int 43,430 up 473

GERMAN MARK (CMER) 125,000 marks, $ per mark

	High	Low	Latest	Chge	Opint
Sep 97	.5842	.5815	.5826		58,946
Dec 97			.5865		908
Mar 98	.5904	.5895	.5904		123

Est. sales N.A. Wed's. sales 10,115
Wed's open int 59,977 off 37

JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen

	High	Low	Latest	Chge	Opint
Sep 97	.8950	.8846	.8928		52,006
Dec 97	.9055	.9020	.9044		1,084
Mar 98			.9161		107

Est. sales N.A. Wed's. sales 12,411
Wed's open int 53,197 up 338

SWISS FRANC (CMER) 125,000 francs, $ per franc

	High	Low	Latest	Chge	Opint
Sep 97	.7030	.7010	.7025		31,937
Dec 97	.7105	.7105	.7103		858
Mar 98			.7182		70

Est. sales N.A. Wed's. sales 6,603
Wed's open int 32,865 off 403

MEXICAN PESO (CMER) 500,000 pesos, $ per peso

	High	Low	Latest	Chge	Opint
Sep 97	.12165	.12110	.12155		19,515
Dec 97	.11740	.11690	.11732		10,450
Mar 98	.11340	.11310	.11325		3,235

Est. sales N.A. Wed's. sales 3,330
Wed's open int 34,347 off 45

3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct

	High	Low	Latest	Chge	Opint
Sep 97	92.97	92.94	92.96	–0.01	126,728
Dec 97	92.80	92.76	92.78	Unch.	113,851
Mar 98	92.70	92.66	92.69	–0.01	84,017
Jun 98	92.67	92.63	92.66	+0.02	50,716
Sep 98	92.66	92.62	92.65	+0.02	33,370
Dec 98	92.66	92.62	92.65	+0.02	28,603
Mar 99	92.66	92.63	92.65	+0.02	22,238

Est. sales: 68,364. Prev sales: 92,223
Prev. open int.: 497,980 off 3,378

3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct

	High	Low	Latest	Chge	Opint
Jul 97	N.T.	N.T.	96.86	Unch.	3,607
Aug 97	N.T.	N.T.	96.85	Unch.	291
Sep 97	96.84	96.83	96.84	+0.01	275,645
Dec 97	96.76	96.73	96.75	+0.01	281,252
Mar 98	96.67	96.63	96.66	+0.02	232,961
Jun 98	96.51	96.47	96.50	+0.02	166,847
Sep 98	96.30	96.27	96.29	+0.02	146,303
Dec 98	96.02	95.98	96.02	+0.03	95,322
Mar 99	95.77	95.74	95.77	+0.03	82,407

Est. sales: 124,753. Prev sales: 135,475
Prev open int.: 1,437,909 up 13,474

3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct

	High	Low	Latest	Chge	Opint
Sep 97	96.61	96.58	96.60	+ 0.02	76,138
Dec 97	96.58	96.54	96.57	+ 0.03	34,562
Mar 98	96.50	96.47	96.49	+ 0.02	31,678
Jun 98	96.40	96.36	96.39	+ 0.03	27,349
Sep 98	96.25	96.21	96.24	+ 0.02	31,538
Dec 98	96.04	96.00	96.03	+ 0.03	17,266
Mar 99	95.81	95.76	95.81	+ 0.05	13,967

Est. sales: 41,816.
Open int.: 254,615 off 278.

3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct

	High	Low	Latest	Chge	Opint
Sep 97	93.54	93.44	93.47	–0.07	117,270
Dec 97	93.98	93.87	93.90	–0.07	77,632
Mar 98	94.25	94.14	94.17	–0.07	46,982
Jun 98	94.41	94.30	94.32	–0.08	34,465
Sep 98	94.46	94.37	94.39	–0.08	24,421
Dec 98	94.50	94.42	94.42	–0.08	11,407

Est. sales: 67,994. Prev. sales: 84,901
Prev open int: 326,813 up 12,492

Industrials

COTTON 2 (NCTN) 50,000 lbs.- cents per lb

	High	Low	Latest	Chge	Opint
Jul 97	74.10	73.60	73.72	–0.41	899
Oct 97	76.50	76.05	76.43	–0.27	12,585
Dec 97	77.25	76.95	77.16	–0.29	51,011
Mar 98	78.45	78.05	78.33	–0.22	6,157
May 98	78.90	78.60	78.90	–0.10	1,424

Est. sales N.A. Wed's. sales 25,756
Wed's open int 66,104 up 2737

HEATING OIL (NMER) 42,000 gal, cents per gal

	High	Low	Latest	Chge	Opint
Jul 97	52.95	51.85	52.02	–0.97	17,266
Aug 97	53.05	52.18	52.22	–0.95	38,154
Sep 97	53.65	52.80	52.92	–0.90	18,079
Oct 97	54.40	53.70	53.82	–0.85	16,181
Nov 97	55.35	54.70	54.73	–0.85	12,877
Dec 97	56.30	55.52	55.52	–0.85	15,591
Jan 98	56.60	56.02	56.02	–0.80	12,844
Feb 98	56.60	56.07	56.37	–0.80	6,849
Mar 98	55.85	55.27	55.27	–0.75	5,954

Est. sales N.A. Wed's. sales 32,557
Wed's open int 152,611 up 902

LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl

	High	Low	Latest	Chge	Opint
Aug 97	19.60	19.03	19.03	–0.49	98,230
Sep 97	19.65	19.11	19.11	–0.52	43,978
Oct 97	19.69	19.30	19.30	–0.43	29,626
Nov 97	19.77	19.39	19.48	–0.33	19,120
Dec 97	19.69	19.47	19.55	–0.33	41,879
Jan 98	19.73	19.55	19.65	–0.28	18,227
Feb 98	19.71	19.60	19.68	–0.28	8,595
Mar 98	19.73	19.60	19.63	–0.33	5,847
Apr 98	19.73	19.63	19.68	–0.29	5,135
May 98	19.76	19.69	19.69	–0.29	6,478

Est. sales N.A. Wed's. sales 113,198
Wed's open int 290,686 off 97665

NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu

	High	Low	Latest	Chge	Opint
Aug 97	2.215	2.115	2.120		34,033
Sep 97	2.215	2.120	2.120		19,981
Oct 97	2.220	2.130	2.130		31,893
Nov 97	2.335	2.260	2.265		10,670
Dec 97	2.475	2.395	2.405		13,494
Jan 98	2.510	2.440	2.440		13,621
Feb 98	2.400	2.360	2.360		10,120
Mar 98	2.290	2.250	2.250		6,593
Apr 98	2.150	2.115	2.120		3,464
May 98	2.095	2.075	2.075		3,841

Est. sales N.A. Wed's. sales 65,527
Wed's open int 200,045 off 3633

UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal

	High	Low	Latest	Chge	Opint
Jul 97	57.00	56.25	56.60	–0.37	16,574
Aug 97	56.98	56.10	56.30	–0.41	33,398
Sep 97	56.50	55.75	55.95	–0.57	10,587
Oct 97	55.40	54.90	54.90	–0.80	5,998
Nov 97	54.75	54.40	54.45	–0.80	2,326
Dec 97	54.80	54.45	54.45	–0.55	5,623
Jan 98			55.10		3,336
Feb 98	54.95	54.95	54.95	–0.55	1,085

Est. sales N.A. Wed's. sales 37,342
Wed's open int 81,305 up 246

GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons

	High	Low	Latest	Chge	Opint
Jul 97	163.25	160.75	161.75	+1.50	20,378
Aug 97	164.75	162.25	163.25	+1.25	15,149
Sep 97	166.50	164.75	165.00	+0.50	6,470
Oct 97	169.00	166.75	167.50	+0.50	6,628
Nov 97	170.50	169.00	169.50	+0.50	4,257
Dec 97	172.25	170.50	171.00	–0.50	9,288
Jan 98	173.25	171.50	172.00	–0.25	2,725
Feb 98	172.25	171.75	172.00	+0.25	1,987

Est. sales: 10,534. Prev. sales 13,526
Prev. open int 72,070 up 132

BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels

	High	Low	Latest	Chge	Opint
Aug 97	18.17	17.82	17.85	–0.37	76,732
Sep 97	18.33	17.99	17.99	–0.39	38,398
Oct 97	18.49	18.14	18.14	–0.40	14,308
Nov 97	18.58	18.32	18.25	–0.35	10,117
Dec 97	18.60	18.40	18.38	–0.30	15,539
Jan 98	18.64	18.44	18.39	–0.30	8,088
Feb 98	18.46	18.42	18.37	–0.29	4,523
Mar 98	18.53	18.37	18.55	–0.29	1,977

Est sales 34,203. Prev. sales 45,471
Prev open int.: 175,614 up 2,562

Stock Indexes

S&P COMP. INDEX (CMER) 500 x index

	High	Low	Latest	Chge	Opint
Sep 97	902.50	885.00	892.00	–4.25	177,230
Dec 97	910.70	896.25	899.50	–7.45	4,325
Mar 99			915.20	–3.55	1,881

Est sales N.A. Wed's. sales 74,574
Wed's open int 178,359 off 79

CAC 40 (MATIF) FF200 per index point

	High	Low	Latest	Chge	Opint
Jun 97	2899.5	2862.8	2894.0	+31.0	18,717
Jul 97	2898.0	2862.5	2892.5	+31.5	23,454
Aug 97	2888.0	2888.0	2900.0	+31.0	1,793
Sep 97	2913.0	2877.5	2908.0	+31.5	20,863

Est. sales 49,942.
Open int., 76,003 up 2,381.

FTSE 100 (LIFFE) £25 per index point

	High	Low	Latest	Chge	Opint
Sep 97	4688.0	4643.0	4686.0	+22.0	62,590
Dec 97	4729.0	4708.0	4740.0	+23.0	2,279

Est sales 9,160. Prev. sales. 12,044
Prev. open int.: 64,869 off 139

Commodity Indexes

	Close	Previous
Moody's	1,559.80	1,570.10
Reuters	N.A.	1,980.80
D.J. Futures	149.94	152.11
CRB	239.40	241.71

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

Rhone ... ance ... pports ... ation ... rgers

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Saudis

STOCK MARKETS

هكذا من الأصل

France Supports Aviation Mergers

Reuters

PARIS — Defense Minister Alain Richard was quoted on Thursday as saying that there was room for just one plane maker in Europe and that he saw a combined Dassault-Aerospatiale as simply a component of such a firm.

In testimony to the National Assembly Committee on Defense delivered on Wednesday and made public Thursday, Mr. Richard added that the situation was different for the defense electronics firm Thomson-CSF, which he said was important enough not to have to be submerged into a conglomerate.

"In the aerospace industry, it seems a given that there is room for just one plane maker, civilian and military, in Europe," Mr. Richard said. "Negotiations in search of agreements with the governments of other countries are fundamental, with the bringing together of Dassault and Aerospatiale a simple component."

European and U.S. aerospace executives have been anxious to know the new leftist government's plans for defense industry consolidation.

Dassault makes combat planes, while Aerospatiale derives some 70 percent of its revenues from making commercial jets for the Airbus Industrie consortium.

Rhone-Poulenc Plans to Buy Out Rorer

Compiled by Our Staff From Dispatches

PARIS — The French drug and chemical company Rhone-Poulenc SA said Thursday that it was considering a 25 billion franc ($4.3 billion) bid to buy out minority shareholders in its U.S. subsidiary Rhone-Poulenc Rorer Inc.

In an announcement that drove shares in both companies higher, the French company said it might offer $92 each for the shares it does not already own in Rorer. It would partly finance the 25 billion-franc purchase by the sale of 7 billion French francs ($1.20 billion) in new Rhone-Poulenc shares.

The move would thrust Rhone-Poulenc into the top leagues of the world's pharmaceutical industry, allowing it to combine Rorer with its vaccine business. The company would shed its less profitable chemicals activities, which have weighed on its profits and share price.

"Rhone Poulenc will become a veritable drug company," said Jacques-Antoine Bretteil, fund manager at International Capital Gestion. "It will prompt a revaluation of the shares."

In Paris, shares of Rhone-Poulenc rose 40.60 francs, or 19.2 percent, to a record 252.50. In afternoon trading in New York, stock in Rorer jumped $11, to $90.4375.

Rhone-Poulenc, which already holds a 68.3 percent stake in Rorer, also said it would regroup its chemical and fiber operations into a single unit that would be partly spun off and taken public in 1998. The company said it would retain majority control of the new unit but did not specify how much it would keep.

The moves are aimed at bolstering Rhone-Poulenc's competitive strength in the fast-changing global chemicals and pharmaceuticals industry, which has been swept by a wave of big mergers.

Analysts were enthusiastic about the plans, which they said made strategic sense and would boost Rhone-Poulenc's share price-to-earnings ratio. They were also in line with Rhone-Poulenc's goal of focusing on its lucrative pharmaceuticals business.

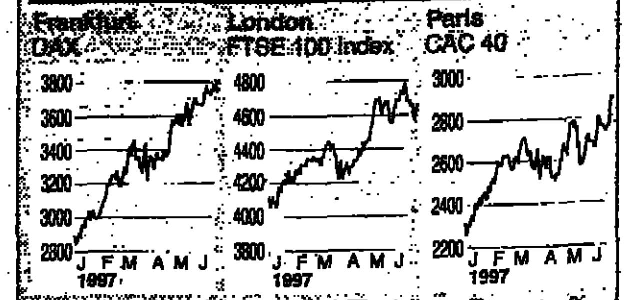
Britain's ICI PLC created Zeneca Group PLC from its drug division in 1993, while Novartis AG of Switzerland spun off its specialty-chemicals division this year. Hoechst AG of Germany considered such a move last year after buying the French drug company Roussel Uclaf SA, but pulled back.

Rhone-Poulenc intends to keep a majority of the new chemical company resulting from the spin-off.

Two U.S. ratings agencies, Moody's Investors Service and Standard & Poor's Corp., both said they would consider downgrading Rhone-Poulenc's credit rating in light of the possible acquisition and capital increase.

The acquisition would "weaken Rhone-Poulenc's financial situation, which is already relatively stretched," said Standard & Poor's analysts in a note. *(Bloomberg, Reuters)*

Investor's Europe



Exchange	Index	Thursday Close	Prev. Close	% Change
Amsterdam	AEX	870.63	871.46	-0.10
Brussels	BEL-20	2,374.81	2,373.59	+0.05
Frankfurt	DAX	3,805.29	3,798.51	+0.18
Copenhagen	Stock Market	588.53	590.52	-0.34
Helsinki	HEX General	3,209.90	3,226.17	-0.50
Oslo	OBX	646.23	642.02	+0.66
London	FTSE 100	4,655.10	4,640.10	+0.32
Madrid	Stock Exchange	601.37	598.75	+0.44
Milan	MIBTEL	13407	13469	-0.46
Paris	CAC 40	2,893.64	2,867.44	+0.91
Stockholm	SX 16	3,277.41	3,265.75	+0.36
Vienna	ATX	1,296.28	1,295.91	+0.03
Zurich	SPI	3,577.89	3,571.55	+0.18

Source: Telekurs — International Herald Tribune

Richemont Reports 23% Rise in Net Profit

Compiled by Our Staff From Dispatches

ZUG, Switzerland — Compagnie Financiere Richemont AG, which has holdings ranging from cigarettes to luxury goods, said Thursday its net profit rose 23 percent in the year through March.

The Swiss-based company, controlled by South Africa's Rupert family, said it earned a net £513.4 million ($850 million) in the period, up from £416.4 million a year ago. That includes a £291.5 million one-time gain from the sale of its European media operations.

Sales rose 10.4 percent, to £4.75 billion. The results are reported in British pounds because the shares also trade in London.

The results sent Richemont shares up sharply in Zurich, Johannesburg and London. They closed in Zurich at 2,020 Swiss francs, up 80, and in Johannesburg at 63.50 rand, up 175 cents. In London, it was 1,398 pence, up 45 pence.

"The results were better than last year, but I don't like the conglomerate, they are not transparent," said Dieter Bucholz, a fund manager at Hottinger & Cie.

Richemont's main holdings include the cigarette maker Rothmans International, stakes in media companies Canal Plus SA and Netherlands-based Nethold BV, and Vendome Luxury Group, whose brands include Cartier, Alfred Dunhill and Piaget.

Earnings at the cigarette unit rose 36 percent, to £795.9 million, as sales of cigarettes rose 16 percent, the company said.

Richemont's share of operating losses at its media operations, which were held through Nethold BV until the end of March, widened £34.7 million to £81 million. *(Bloomberg, AFP)*

Saudis Move Into Portuguese Oil Industry

Compiled by Our Staff From Dispatches

LISBON — Saudi Aramco will buy 27.5 percent of Portugal's state-controlled oil company for an undisclosed sum, the Portuguese government said Thursday, giving the world's largest oil producer greater access to European markets.

Saudi Aramco will buy 10 percent of Petrogal, or Petroleos de Portugal SA, from the government and 17.5 percent from a holding company of private shareholders. After the sale is complete, the government will own 45 percent of Petrogal and the shareholder group, Petrocontrol, will own 27.5 percent.

The statement gave no financial details, but a company source said the accord valued Petrogal at between 220 and 230 billion escudos ($1.27 billion to $1.32 billion) with the Aramco stake being worth some 63.25 billion escudos.

Petrogal operates the country's two oil refineries and a network of more than 1,100 stations. The company controls more than 50 percent of the Portuguese market for petroleum products and has also expanded its service station network into Spain. *(Bloomberg, Reuters)*

Very briefly:

- **Syria, Egypt and six Arab states** — Saudi Arabia, Kuwait, Oman, Qatar, Bahrain and the United Arab Emirates — ended talks in the Syrian resort of Latakia by agreeing to set up a common market among the eight countries.
- **Great Universal Stores PLC**, Britain's market leader in home shopping, saw its shares tumble after reporting its first annual profit decline in nearly 50 years.
- **Lufthansa AG** said its full-year pretax profit would probably surpass 1995's 756 million Deutsche marks ($439 million) after cost-cutting and higher sales boosted first-half earnings above last year's level.
- **Abbey National PLC** bought the financial-services concern **Cater Allen** in an agreed bid valued at £191 million ($318 million) in cash.
- **Havas SA**, France's largest media company, said it expected to report a net profit of about 1.23 billion francs ($211.4 million) in 1997, up roughly 23 percent from last year.
- **Glaxo Wellcome PLC** agreed to sell its drug-manufacturing plant and inventory in North Carolina to Catalytica Inc. for $247 million in cash, plus a package of shares, share options and business contracts.

Bloomberg, Reuters

WORLD STOCK MARKETS

Thursday, June 26
Prices in local currencies.
Telekurs

Amsterdam — AEX index: 870.63, Previous: 871.46

	High	Low	Close	Prev.
ABN-AMRO	37.30	36.80	37.20	37.10
Aegon	137.10	135	136.40	137.90
Ahold	167.90	165.60	166.50	166.50
Akzo Nobel	265.90	264.30	265.40	263.50
Baan Co.	134.40	128.50	131	133.20
Bols Wess cva	38.90	38.40	38.40	38.70
CSM cva	100.30	99.10	99.40	100
Dordtsche Pet	427	418.50	427	417.10
DSM	197.50	194.50	194.50	197
Elsevier	33.40	32.80	33.40	32.90
Fortis Amev	84	82.40	84	83
Getronics	65.10	64	64.70	65
G-Broc cva	65.50	64.20	64.60	65.20
Hagemeyer	103.50	99	100.40	103.40
Heineken	361.70	354.50	355.10	361.30
Hoogovens cva	113.50	110	110	110.90
Hunt Douglas	172	168.60	172	169.40
ING Group	91.80	91.20	91.50	91.70
KLM	60.20	59.50	60.20	60
KNP BT	45.40	44.80	45.20	45.40
KPN	80.70	79.30	80.60	80.50
Nedlloyd Gp	56.70	55.60	56.60	56
Nutricia	312.50	309.20	309.30	312
Oce Grinten	252	248.60	249.10	252
Philips Elec	143.80	137.70	139.60	140.10
Polygram	110	106.10	107	109.60
Randstad Hdg	209.50	205.50	206	206.50
Robeco	186	184.40	184.80	184.90
Rodamco	64.70	64.50	64.70	64.50
Rolinco	188.30	188	188	187.30
Rorento	113.60	113.30	113.30	113.20
Royal Dutch	417.30	410	415.70	407.90
Unilever cva	419.30	414.60	417	417.90
Vendex Intl	109	107.30	107.90	108
VNU	46.70	44.20	44.80	45.80
Wolters Kl cva	249.50	242	243.30	248

Bangkok — SET index: 526.82, Previous: 494.03

	High	Low	Close	Prev.
Adv Info Svc	195	178	195	178
Bangkok Bk F	189	183	185	181
Krung Thai Bk	29.50	27	29	27.25
PTT Explor	328	314	326	306
Siam Cement F	462	408	458	406
Siam Com Bk F	108	102	107	100
Telecomasia	30.25	27.75	29.75	27.75
Thai Airways	36.75	34	36	34
Thai Farm Bk F	118	111	114	114
Utd Comm	112	104	107	103

Bombay — Sensex 30 index: 4116.56, Previous: 4119.39

	High	Low	Close	Prev.
Bajaj Auto	920	911	912.25	914.50
Hindust Lever	1385	1354	1370.75	1353.75
Hindust Petm	449.75	444.25	445	447.25
Ind Dev Bk	94	92	93	93
ITC	522	494	512.75	494.50
Mahanagar Tel	292.50	289.50	291	290.25
Reliance Ind	388	358	377.25	366.50
State Bk India	347	340	342	339.25
Steel Authority	17.75	17.25	17.75	17.50
Tata Eng Loco	457.25	446	447.50	450.75

Brussels — BEL-20 index: 2374.81, Previous: 2373.59

	High	Low	Close	Prev.
Almanij	16500	16200	16350	16350
Barco Ind	7110	6940	7080	6930
BBL	9220	9110	9220	9150
CBR	3420	3290	3320	3470
Colruyt	17475	17300	17475	17200
Delhaize Lion	1905	1890	1890	1895
Electrabel	7790	7750	7780	7800
Electrafina	3700	3525	3675	3620
Fortis AG	7150	7050	7060	7150
Gevaert	3385	3330	3385	3370
GBL	6160	5880	6080	5890
Gen Banque	14250	13975	14050	14200
Kredietbank	14450	14375	14425	14325
Petrofina	14000	13625	13825	13700
Powerfin	4980	4950	4975	4980
Royale Belge	10500	10025	10200	10000
Soc Gen Belg	3390	3355	3390	3400
Solvay	21275	20650	20675	21250
Tractebel	15000	14950	14950	15000
UCB	11695	11580	11695	11625

Copenhagen — Stock Index: 588.53, Previous: 590.52

	High	Low	Close	Prev.
BG Bank	354	346	351	348
Carlsberg B	371	364	365.06	370
Codan Fors	891.78	880	890	885
Danisco	417	398	400	414
Den Danske Bk	640	633.50	640	639
D/S Svendbrg B	345345	344000	345345	346346
D/S 1912 B	241000	238000	239500	239000
FLS Ind B	229	224	225	225
Kob Lufthavne	710	705	705	710
Nvo Nordisk B	727	720.20	723	725
Sophus Ber B	982	976.53	982	980
Tele Danmk B	346	342	344	343
Tryg Baltica	358	350	357	353
Unidanmark A	375	369	372	375

Frankfurt — DAX: 3805.29, Previous: 3798.51

	High	Low	Close	Prev.
AMB B	1568	1550	1568	1542
Adidas	198.90	195.20	196.30	199
Allianz Hdg	380	376.50	376.50	376
Altana	1859	1845	1853	1850
Bk Berlin	37.70	37.50	37.60	38.05
BASF	64.10	63.40	63.40	64.05
Bayer Hypo Bk	52.95	52.55	52.83	53.65
Bay.Vereinsbank	71.70	71.45	71.45	72.30
Bayer	68.53	67.80	67.80	67.90
Beiersdorf	96.50	93.20	96.30	93
Bewag	40	40	40	40
BMW	1440	1420	1427	1409
CKAG Colonia	166	164.50	165	162
Commerzbank	50.65	49.80	50.20	50.45
Daimler Benz	143.50	141.90	142	137
Degussa	95.40	92.30	92.30	94.50
Deutsche Bank	103.70	102.60	102.60	104.30
Deut Telekom	42.65	42.40	42.50	42.90
Dresdner Bank	61.70	61.30	61.40	61.55
Fresenius	371	368	368	368
Fresenius Med	155.50	154.15	154.90	156.30
Fried Krupp	347	343	343.50	342.50
Gehe	120.50	120	120.10	118.80
Heidelbg Zml	171.50	170.50	171.50	170
Henkel pfd	98.50	97.50	98	99.50
HEW	470	470	470	470
Hochtief	81.50	78	78	80.80
Hoechst	71.95	71.15	71.37	70.35
Karstadt	645	638	640.50	650.50
Lahmeyer	82	81.50	81.60	82
Linde	1355	1332	1345	1335
Lufthansa	35.30	34.70	35	35.30
MAN	545	543	543.90	539
Mannesmann	778	772	776.50	762
Metallgesellschaft	36.90	36.10	36.55	36.45
Metro	189.90	188.50	189.50	188.80
Munch Rueck R	4970	4915	4970	4967
Preussag	526.50	522.50	525	522
RWE	75.91	75.50	75.50	76
SAP pfd	363	353	353	355.80
Schering	194.80	191.10	191.10	190.40
SGL Carbon	238.50	235.50	235.50	237
Siemens	106.40	105.10	105.65	107.60
Springer (Axel)	1520	1520	1520	1520
Suedzucker	935	932	935	938
Thyssen	426	424.50	424.50	426
Veba	102	99.40	99.50	98.55
VEW	566	565	566	565
Viag	801.50	799.50	800.80	804
Volkswagen	1282	1264	1277	1250

Helsinki — HEX General index: 3209.90, Previous: 3226.17

	High	Low	Close	Prev.
Enso A	47	46.60	47	47
Huhtamaki I	224.50	223.50	224	224
Kemira	49	47.60	48.30	48
Kesko	76	74.50	76	75
Merita A	17.20	17	17.10	17.10
Metra B	163	156.50	158.90	158
Metsa-Serla B	43	42.60	42.90	42.70
Neste	138	137.90	138	139
Nokia A	393.50	384.90	388	393
Orion-Yhtymae	201	197.50	198	200
Outokumpu A	103.50	102.50	103.50	103
UPM-Kymmene	124	123	123.40	122.90
Valmet	88.50	87.70	88.50	88

Hong Kong — Hang Seng: 15128.02, Previous: 15065.02

	High	Low	Close	Prev.
Amoy Props	8.80	8.10	8.60	8.30
Bk East Asia	32	31.30	31.70	31.30
Cathay Pacific	15.70	14.65	15.70	14.85
Cheung Kong	78	76.50	77	76.75
CK Infrastruct	23.80	23	23.25	23.45
China Light	44.80	43.60	44.10	44
Citic Pacific	48.70	47.80	48	48.20
Dao Heng Bk	43.40	42.40	43	43.40
First Pacific	9.95	9.75	9.95	9.85
Hang Lung Dev	14.55	14.05	14.25	14.15
Hang Seng Bk	109.50	102.50	108	103
Henderson Inv	8.80	8.65	8.75	8.75
Henderson Ld	72	69.25	70	71.25
HK China Gas	15.55	15.25	15.35	15.60
HK Electric	31.80	31.30	31.50	31.90
HK Telecomm	18.60	17.85	18.30	18.15
Hopewell Hdgs	4.80	4.23	4.75	4.28
HSBC Hdgs	233	229	232	233
Hutchison Wh	65.75	63.25	64.75	63.75
Hysan Dev	23.10	22.75	22.95	23.05
Johnson El Hdg	24.05	23.40	23.80	24
Kerry Props	18.70	18.55	18.70	18.55
New World Dev	48.50	46.50	46.90	48
Oriental Press	3.45	3.18	3.18	3.35
Pearl Oriental	1.39	1.25	1.29	1.37
SHK Props	96	93.75	93.75	93.75
Shun Tak Hdgs	4.88	4.83	4.85	4.83
Sino Land Co.	8.50	8.30	8.40	8.45
Sth China Post	7.85	7.60	7.60	7.85
Swire Pac A	72.25	70	70.75	70
Wharf Hdgs	34.50	33.20	33.60	34.50
Wheelock	19.10	18.40	19.05	18.80

Jakarta — Composite index: 709.41, Previous: 712.50

	High	Low	Close	Prev.
Astra Intl	8100	7900	7900	7850
Bk Intl Indon	2125	2075	2075	2125
Bk Negara	1525	1500	1525	1525
Gudang Garm	9725	9575	9575	9575
Indocement	3600	3450	3500	3600
Indofood	5725	5625	5625	5800
Indosat	7300	7100	7175	7350
Sampoerna HM	8950	8675	8800	8700
Semen Gresik	5375	5175	5325	5175
Telekomunikasi	3950	3875	3875	3975

Johannesburg — All Market: 7402.68, Previous: 7353.98

	High	Low	Close	Prev.
Amalgamtd Bks	32.95	32.75	32.95	32.95
AngloAm Coal	272	271	270	270
AngloAm Corp	271.25	267.25	268	268
AngloAm Gold	280.50	279.25	280	280
AngloAm Ind	196.50	194.50	195.75	195.75
AVMIN	16.20	15.80	15.70	15.70
Barlow	49.50	48.35	48.35	48.35
C.G. Smith	26.05	24.90	24.90	24.90
De Beers	168	167	167.50	167.50
Driefontein	32.50	31.85	31.85	31.85
Fst Natl Bk	41.25	40.95	41.20	41.20
Gencor	21	20.80	20.95	20.95
GFSA	108	108	108.50	108.50
Imperial Hdgs	64	60	59.50	59.50
Ingwe Coal	29.60	28.75	29.50	29.50
Iscor	3.25	3.09	3.17	3.17
Johnnies Indl	59.50	58.25	58.25	58.25
Liberty Hdgs	329	327	329	329
Liberty Life	122.50	121	122.25	122.25
LibLife Strat	17.50	17	17	17
Minorco	105.25	104.50	104.50	104.50
Nampak	20	19	19	19
Nedcor	100	98.75	99.25	99.25
Rembrandt Gp	48.25	47.75	47.50	47.50
Richemont	64	61.50	61.75	61.75
Rust Platinum	78.50	75.75	75.75	75.75
SA Breweries	140.25	139	138.75	138.75
Samancor	47	46.25	47	47
Sasol	57.75	57	57	57
SBIC	225	218	219	219
Tiger Oats	83.75	83	83	83

Kuala Lumpur — Composite: 1066.74, Previous: 1069.96

	High	Low	Close	Prev.
AMMB Hdgs	15.80	15.40	15.50	16
Genting	13	12.60	12.70	13
Mal Banking	25.75	25.25	25.50	25.25
Mal Intl Ship F	6.45	6.35	6.35	6.45
Petronas Gas	9.20	9	9.05	9.20
Proton	12.10	11.80	11.90	12.20
Public Bk	3.82	3.78	3.80	3.78
Renong	3.46	3.36	3.36	3.46
Resorts World	7.85	7.65	7.70	7.65
Rothmans PM	24.60	24.40	24.40	24.60
Sime Darby	8.40	8.25	8.30	8.40
Telekom Mal	11.90	11.50	11.90	11.80
Tenaga	12.20	12	12.10	12
Utd Engineers	18.20	17.90	18.10	18.30
YTL	8.30	8.10	8.25	8.30

London — FT-SE 100: 4654.80, Previous: 4640.80

	High	Low	Close	Prev.
Abbey Natl	8.40	8.25	8.28	8.28
Allied Domecq	4.25	4.20	4.25	4.24
Anglian Water	6.82	6.57	6.70	6.47
Argos	5.78	5.65	5.69	5.76
Asda Group	1.27	1.21	1.26	1.22
Assoc Br Foods	5.15	5.11	5.11	5.16
BAA	5.56	5.40	5.51	5.42
Barclays	12.40	12.00	12.35	12.11
Bass	7.40	7.33	7.33	7.30
BAT Ind	5.57	5.33	5.33	5.55
Bank Scotland	4.02	3.94	3.97	3.99
Blue Circle	4.41	4.20	4.37	4.22
BOC Group	10.55	10.46	10.48	10.53
Boots	7.19	7.05	7.18	7.06
BPB Ind	3.35	3.30	3.35	3.33
Brit Aerosp	13.50	13.33	13.35	13.39
Brit Airways	7.02	6.85	7	6.93
BG	2.37	2.30	2.34	2.27
Brit Land	5.65	5.60	5.61	5.61
Brit Petm	7.42	7.13	7.37	7.13
BSkyB	4.73	4.51	4.54	4.71
Brit Steel	1.56	1.48	1.51	1.48
Brit Telecom	4.65	4.51	4.53	4.54
BTR	2.06	1.93	2.02	1.94
Burmah Castrol	10.20	10.12	10.12	10.14
Burton Gp	1.20	1.18	1.19	1.19
Cable Wireless	5.80	5.65	5.68	5.79
Cadbury Schw	5.37	5.23	5.37	5.33
Carlton Comm	5.40	5.26	5.35	5.28
Comml Union	6.68	6.62	6.62	6.66
Compass Gp	6.77	6.75	6.77	6.75
Courtaulds	3.44	3.40	3.42	3.44
Dixons	4.92	4.84	4.84	4.90
Electrocomponents	4.52	4.48	4.48	4.48
EMI Group	11.02	10.90	10.90	11.02
Energy Group	6.45	6.38	6.39	6.44
Enterprise Oil	6.85	6.75	6.81	6.70
Fam Colonial	1.66	1.63	1.65	1.64
Genl Accident	8.87	8.78	8.85	8.86
GEC	3.46	3.43	3.46	3.45
GKN	10.44	10.27	10.41	10.31
Glaxo Wellcome	12.85	12.44	12.60	12.84
Granada Gp	8.45	8.16	8.20	8.46
Grand Met	5.87	5.80	5.83	5.84
GRE	2.77	2.71	2.77	2.72
Greenalls Gp	4.52	4.48	4.48	4.49
Guinness	5.89	5.82	5.85	5.87
GUS	6.55	6.09	6.23	6.74
Hays	5.82	5.77	5.82	5.79
HSBC Hldgs	18.20	17.96	18.10	18.17
ICI	8.39	8.28	8.34	8.30
Impl Tobacco	3.97	3.91	3.95	3.95
Kingfisher	7.09	7.01	7.06	7.07
Ladbroke	2.41	2.32	2.38	2.36
Land Sec	8.57	8.50	8.52	8.53
Lasmo	2.73	2.66	2.66	2.68
Legal Genl Grp	4.27	4.21	4.24	4.23
Lloyds TSB Gp	6.43	6.30	6.39	6.35
Lucas Varity	2.11	2.06	2.07	2.07
Marks Spencer	5.12	5.07	5.10	5.08
MEPC	5.07	5.03	5.05	5.07
Mercury Asset	12.84	12.68	12.72	12.85
National Grid	2.26	2.16	2.22	2.15
Natl Power	5.27	5.15	5.24	5.10
NatWest	8.25	8.08	8.16	8.17
Next	7.19	7.10	7.18	7.10
Norwich Union	3.36	3.22	3.32	3.27
Orange	1.99	1.96	1.97	1.98
P&O	6.17	6.07	6.15	6.10
Pearson	7.10	7.02	7.04	7.07
Pilkington	1.32	1.23	1.31	1.25
PowerGen	7.22	7	7.20	7
Premier Farnell	4.57	4.51	4.57	4.53
Prudential	6	5.87	5.99	5.91
Railtrack Gp	6.08	5.96	6.03	6.10
Rank Group	3.82	3.73	3.77	3.78
Reckitt Colm	8.93	8.72	8.83	8.95
Redland	3.40	3.35	3.36	3.38
Reed Intl	5.95	5.83	5.95	5.86
Rentokil Initial	2.19	2.14	2.19	2.17
Reuters Hldgs	6.38	6.06	6.34	6.40
Rexam	2.62	2.56	2.59	2.61
RMC Group	9.88	9.75	9.88	9.79
Rolls Royce	2.44	2.38	2.42	2.42
Royal Bk Scot	5.87	5.70	5.83	5.81
RTZ reg	10.86	10.58	10.62	10.81
Royal & Sun All	4.55	4.45	4.50	4.54
Safeway	3.41	3.37	3.40	3.39
Sainsbury	3.60	3.54	3.57	3.57
Schroders	16.30	16.10	16.30	16.15
Scot Newcastle	6.34	6.25	6.29	6.35
Scot Power	3.79	3.48	3.77	3.66
Securicor	2.86	2.85	2.85	2.85
Severn Trent	7.85	7.20	7.52	7.19
Shell Transp R	12.61	12.34	12.58	12.26
Siebe	10.23	10.17	10.19	10.23
Smith Nephew	1.75	1.72	1.73	1.74
SmithKline	10.94	10.65	10.94	10.68
Smiths Ind	8.06	7.93	7.93	8.05
Sthern Elec	4.56	4.30	4.42	4.23
Stagecoach	6.40	6.31	6.33	6.38
Stand Charter	9.22	9.10	9.17	9.19
Tate & Lyle	4.51	4.40	4.41	4.51
Tesco	3.74	3.68	3.73	3.71
Thames Water	6.95	5.95	5.95	6.68
3I Group	5.05	4.98	5.02	5.03
TI Group	5.37	5.28	5.34	5.32
Tomkins	2.60	2.55	2.58	2.59
Unilever	17.30	17.12	17.20	17.22
Utd Assurance	4.39	4.31	4.34	4.38
Utd News	7.29	7.20	7.22	7.29
Utd Utilities	6.51	6.30	6.47	6.24
Vendome Lx uts	4.55	4.50	4.51	4.55
Vodafone	2.96	2.91	2.92	2.91
Whitbread	7.57	7.50	7.54	7.57
Williams Hdgs	3.19	3.17	3.19	3.18
Wolseley	4.75	4.65	4.73	4.67
WPP Group	2.50	2.47	2.48	2.49
Zeneca	19.72	19.34	19.72	19.42

Madrid — Bolsa index: 601.37, Previous: 601.73

	High	Low	Close	Prev.
Acerinox	27990	27620	27620	27810
ACESA	1995	1965	1970	1980
Aguas Barcelon	6000	5950	5970	5980
Argentaria	8360	8250	8320	8360
BBV	12190	12000	12100	11990
Banesto	1530	1490	1500	1510
Bankinter	26500	25760	25790	26010
Bco Centro Hisp	5470	5370	5470	5450
Bco Popular	35190	34100	35190	34100
Bco Santander	4800	4690	4690	4770
CEPSA	5050	4985	4990	5050
Continente	3400	3250	3380	3260
Corp Mapfre	7750	7650	7740	7650
Endesa	12100	11780	12100	11800
FECSA	1425	1375	1385	1410
Gas Natural	32600	32400	32400	32580
Iberdrola	1920	1885	1890	1910
Pryca	3190	3100	3185	3065
Repsol	6330	6260	6290	6290
Sevillana Elec	1525	1500	1500	1505
Tabacalera	8100	7850	8020	7870
Telefonica	4415	4360	4375	4390
Union Fenosa	1350	1325	1330	1340
Valenc Cement	2320	2265	2320	2300

Manila — PSE index: 2827.10, Previous: 2829.29

	High	Low	Close	Prev.
Ayala B	19	18.75	18.75	19
Ayala Land	24	23.50	24	23.75
Bk Philip Isl	166	163	165	163
C&P Homes	10	9.80	9.90	9.60
Manila Elec A	89.50	88	88	89.50
Metro Bank	540	525	530	535
Petron	7.20	7	7	7.10
PCIBank	255	250	255	252.50
Phil Long Dist	890	855	870	840
San Miguel B	74.50	73	73.50	72
SM Prime Hdg	8.20	7.90	8.10	7.70

Mexico — Bolsa index: 4425.21, Previous: 4397.82

	High	Low	Close	Prev.
Alfa A	53.30	52.60	52.90	52.80
Banacci B	22.10	21.95	21.95	21.90
Cemex CPO	35.00	34.00	34.40	34.00
Cifra C	13.00	12.82	12.86	12.84
Emp Moderna	40.40	39.90	40.40	40.20
Gpo Carso A1	54.70	52.60	53.80	52.60
Gpo F Bcomer	2.21	2.17	2.20	2.17
Gpo Fin Inbursa	31.00	30.70	30.80	30.85
Kimb Clark Mex	32.00	30.60	30.85	30.50
Televisa CPO	124.00	121.60	121.60	124.00
TelMex L	19.30	19.00	19.06	18.98

Milan — MIB Telematico: 13407.00, Previous: 13469.00

	High	Low	Close	Prev.
Alleanza Assic	13470	13150	13400	13305
Bco Comm Ital	3715	3635	3685	3750
Bca Fideuram	5240	5095	5095	5115
Bca di Roma	1250	1219	1233	1251
Benetton	27800	26750	27050	27450
Credito Italiano	3225	3125	3210	3205
Edison	8390	8135	8165	8410
ENI	9700	9570	9640	9610
Fiat	6175	6050	6165	6180
Generali Assic	30800	30250	30700	30500
IMI	16040	15700	15825	15935
INA	2760	2685	2695	2760
Italgas	5630	5450	5495	5565
Mediaset	7380	7230	7240	7360
Mediobanca	10650	10350	10500	10700
Montedison	1154	1120	1130	1148
Olivetti	505	480	481	500.50
Parmalat	2490	2355	2385	2465
Pirelli	4350	4255	4325	4335
RAS	13950	13700	13855	13910
Rolo Banca	20850	20450	20550	20550
S Paolo Torino	12650	12375	12500	12525
Stet	10240	10135	10230	10215
Telecom Italia	5690	5610	5685	5670
TIM	5800	5620	5630	5785

Montreal — Industrials index: 3294.82, Previous: 3331.82

	High	Low	Close	Prev.
Bce Mob Com	42.40	42.40	42.40	42.40
Cdn Tire A	27.10	27	27.05	27.10
Cdn Util A	35¼	35¼	35¼	35.60
CT Finl Svc	37	37	37	37
Gaz Metro	18	17.85	17.95	17.90
Gt-West Lifeco	34	33½	33.60	33½
Imasco	39.30	38.45	39.30	38.45
Investors Grp	32.10	32.10	32.10	32
Loblaw Cos	19.70	19.55	19.60	19.80
Natl Bk Canada	17.55	17.30	17½	17.40
Power Corp	34.10	33.90	34.10	33.95
Power Finl	33¾	33½	33½	34
Quebecor B	26	25¾	25.90	26
Rogers Comm B	9.20	9.20	9.20	9.20
Royal Bk Cda	62.95	62.30	62.65	63.05

Oslo — OBX index: 646.22, Previous: 642.82

	High	Low	Close	Prev.
Aker A	140	136	140	137
Bergesen Dy A	171.50	170	171	170
Christiania Bk	24.50	24.20	24.50	24.30
Den norske Bk	28.80	28.50	28.60	28.80
Elkem	144	140	144	141
Hafslund A	44.90	44	44.90	44.90
Kvaerner Asa	433	427	431	427
Norsk Hydro	397	395	396.50	396
Norske Skog A	254	253	254	254
Nycomed A	107	106	106.50	107
Orkla Asa A	545	539	539	542
Petm GeoSvc	340	325	340	324
Saga Petm A	140	138	139.50	139.50
Schibsted	143	140	143	140
Transocean Off	485	485	485	490
Storebrand Asa	47.50	45.50	47.10	45.80

Paris — CAC-40: 2893.44, Previous: 2867.44

	High	Low	Close	Prev.
Accor	915	891	891	895
AGF	182	178	178.80	176.90
Air Liquide	978	953	967	975
Alcatel Alsth	756	733	741	744
Axa-UAP	371.60	367.10	368.30	369.90
Bancaire	752	730	735	736
BIC	978	960	967	971
BNP	250	245.50	248.50	244.20
Canal Plus	1093	1060	1080	1063
Carrefour	4413	4250	4412	4314
Casino	300	296.50	300	298
CCF	254.50	247.60	252.70	250.50
Cetelem	727	700	713	711
Christian Dior	925	916	917	928
CLF-Dexia Fran	583	568	569	575
Credit Agricole	1251	1251	1251	1252
Danone	989	971	984	990
Elf-Aquitaine	664	653	657	660
Eridania BS	907	890	904	902
Eurodisney	9.25	9.10	9.15	9.25
Eurotunnel	6.25	6.10	6.25	6.30
Gen. Eaux	769	755	766	762
Havas	423.60	408	410	412.10
Imetal	830	806	821	798
Lafarge	389	376.20	380	385.30
Legrand	1125	1084	1121	1107
L'Oreal	2513	2480	2500	2452
LVMH	1520	1495	1508	1511
Lyon Eaux	587	569	580	590
Michelin B	365	350	359.80	360.60
Paribas A	421.50	409	413.80	403.20
Pernod Ricard	311.50	307	308.50	309.90
Peugeot Cit	590	565	573	587
Pinault-Print	3041	2893	2970	2987
Promodes	2435	2371	2406	2400
Renault	150	147	149	147
Rexel	1782	1705	1782	1702
Rh-Poulenc A	256.70	233.40	252.50	211.90
Sanofi	574	549	573	547
Schneider	333	320.10	326.70	331.90
SEB	1059	1042	1045	1041
SGS Thomson	461.50	450	452	464
Ste Generale	680	663	676	665
Sodexho	2993	2876	2903	2962
St Gobain	880	863	874	865
Suez	286.50	277.50	283.80	308
Synthelabo	768	747	756	750
Thomson CSF	161.60	156.10	159.30	159.60
Total B	588	570	580	570
Usinor	104.70	100	103.50	100.40
Valeo	380	361.10	368.70	373

São Paulo — Bovespa index: 13146.40, Previous: 13053.26

	High	Low	Close	Prev.
Bradesco Pfd	10.87	10.70	10.80	10.80
Brahma Pfd	839.99	827.00	839.99	827.00
Cemig Pfd	58.50	57.50	57.80	57.00
CESP Pfd	82.00	77.50	77.60	76.99
Copel	21.20	20.50	21.03	21.05
Eletrobras	661.00	639.00	640.00	650.00
Itaubanco Pfd	626.00	620.00	620.00	620.00
Light Servicios	550.01	543.00	546.00	552.00
Lightpar	434.00	425.00	426.00	425.00
Petrobras Pfd	324.00	314.00	318.00	319.00
Paulista Luz	196.00	191.00	192.00	194.00
Sid Nacional	35.30	34.710	35.10	35.20
Souza Cruz	11.50	11.30	11.30	11.60
Telebras Pfd	172.30	168.90	171.30	168.70
Telemig	205.00	201.980	202.00	200.00
Teleri	178.00	170.00	173.49	169.00
Telesp Pfd	390.00	378.00	379.00	386.00
Unibanco	41.01	40.50	40.50	39.990
Usiminas Pfd	12.10	11.90	12.00	12.00
CVRD Pfd	25.00	24.00	24.93	24.00

Seoul — Composite index: 744.34, Previous: 744.99

	High	Low	Close	Prev.
Dacom	97100	95500	97000	98000
Daewoo Heavy	7560	7300	7500	7300
Hyundai Eng.	22200	20900	21800	21300
Kia Motors	14600	13700	14600	13600
Korea El Pwr	28000	25800	25800	27900
Korea Exch Bk	5980	5660	5880	5800
Korea Mob Tel	450000	461000	450000	442000
LG Semicon	35000	33000	34700	33000
Pohang Iron St	63500	60500	62900	60700
Samsung Display	46400	45100	45700	45600
Samsung Elec	70900	68500	70000	69500
Shinhan Bank	11100	10700	11100	10800

Singapore — Straits Times: 1989.88, Previous: 2023.86

	High	Low	Close	Prev.
Asia Pac Brew	6.25	6.20	6.20	6.30
Cerebos Pac	6.70	6.60	6.60	6.70
City Devts	13.90	13.80	13.90	14
Cycle Carriage	15	14.70	14.90	14.80
Dairy Farm Intl*	0.74	0.72	0.73	0.74
DBS foreign	18.70	18.30	18.50	18.50
DBS Land	4.58	4.50	4.50	4.58
Fraser & Neave	10.30	10.10	10.10	10.30
HK Land*	2.80	2.74	2.74	2.78
Jard Matheson*	7.40	7.30	7.40	7.40
Jard Strategic*	3.86	3.80	3.80	3.80
Keppel A	6.45	6.25	6.25	6.40
Keppel Bank	3.70	3.68	3.70	3.70
Keppel Fels	4.84	4.82	4.84	4.86
Keppel Land	3.96	3.84	3.84	3.96
OCBC foreign	14.70	14.50	14.50	14.70
OS Union Bk F	9.25	9	9.05	9.20
Parkway Hdgs	6.45	6.35	6.40	6.45
Sembawang	6.80	6.50	6.65	6.85
Sing Air foreign	12.90	12.70	12.80	12.80
Sing Land	6.60	6.50	6.55	6.45
Sing Press F	29	28.20	28.30	29.10
Sing Tech Ind	3.76	3.48	3.70	3.80
Sing Telecomm	2.72	2.65	2.72	2.68
Tat Lee Bank	3.26	3.06	3.08	3.26
Utd Industrial	1.08	1.06	1.07	1.07
Utd OSea Bk F	14.90	14.80	14.90	14.90
Wing Tai Hdgs	4.24	4.14	4.16	4.20

* in U.S. dollars.

Stockholm — SX 16 index: 3277.41, Previous: 3265.75

	High	Low	Close	Prev.
AGA B	105.50	103.50	103.50	105
ABB A	108.50	106.50	108	108.50
AssiDoman	226.50	221.50	221.50	226
Astra A	144.50	141.50	143.50	143
Atlas Copco A	203	201.50	201.50	203.50
Autoliv	398	292.50	297.50	292.50
Electrolux B	572	568	570	572
Ericsson B	314.50	307	312.50	307.50
Hennes B	284.50	282	282	285
Incentive A	710	704	704	711
Investor B	407	400	406	402.50
MoDo B	260	253	253.50	260.50
Nordbanken	247	240	247	242
Pharm/Upjohn	268	253	258.50	271
Sandvik B	220.50	215	218.50	216.50
Scania B	232.50	228	228	232
SCA B	167	165	166	166
S-E Banken A	83.50	82.50	83	83
Skandia Fors	282	281	281.50	282
Skanska B	349.50	345	345	348
SKF B	206	203	204	203
Sparbanken A	167	165.50	167	165.50
Stadshypotek A	190	190	190	190
Stora A	132	128	128	131
Sv Handles A	237	230.50	236.50	230.50
Volvo B	206	200	201.50	200.50

Sydney — All Ordinaries: 2699.90, Previous: 2705.10

	High	Low	Close	Prev.
Amcor	8.75	8.59	8.71	8.66
ANZ Bkng	9.80	9.69	9.80	9.81
BHP	19.22	18.97	19.06	19.25
Boral	4.26	4.13	4.24	4.19
Brambles Ind.	25.56	25.10	25.40	25.68
CBA	15.63	15.45	15.63	15.51
CC Amatil	16.40	15.90	16.35	15.99
Coles Myer	7.01	6.80	7	6.85
Comalco	7.20	7.10	7.10	7.20
CSR	5.12	5	5.12	5.04
Fosters Brew	2.52	2.50	2.50	2.51
Goodman Fld	2	1.95	1.98	1.99
ICI Australia	13.06	12.67	13.05	12.98
Lend Lease	27.90	27.29	27.85	27.75
MIM Hdgs	1.97	1.94	1.95	2
Nat Aust Bank	18.75	18.39	18.48	18.97
Nat Mutual Hdg	2.09	2.06	2.07	2.11
News Corp	6.50	6.43	6.45	6.48
Pacific Dunlop	3.82	3.74	3.81	3.81
Pioneer Intl	5.03	4.94	5.03	4.97
Pub Broadcast	7.70	7.68	7.68	7.70
Rio Tinto	22.84	22.70	22.84	22.89
St George Bank	9.04	8.85	8.85	9.05
WMC	8.56	8.37	8.38	8.62
Westpac Bkng	7.92	7.83	7.89	7.91
Woodside Pet	11.71	11.10	11.40	11.21
Woolworths	4.34	4.28	4.31	4.33

Taipei — Stock Market Index: 8871.76, Previous: 8956.41

	High	Low	Close	Prev.
Cathay Life Ins	159	154	154	157
Chang Hwa Bk	116	113	113	114
Chiao Tung Bk	80	77	77.50	79
China Develpmt	141	137.50	138.50	137
China Steel	30	28.90	29.60	28.80
First Bank	115	112.50	112.50	113.50
Formosa Plastic	69.50	67	67	68
Hua Nan Bk	114	111	111	112
Intl Comm Bk	67	65	65	66.50
Nan Ya Plastics	84.50	82	82.50	82.50
Shin Kong Life	112	102.50	103	109.50
Taiwan Semi	128.50	120	120	124.50
Tatung	56	55	55	55.50
Utd Micro Elec	122	115	116.50	116
Utd World Chin	68	66.50	67	66.50

Tokyo — Nikkei 225: 20424.76, Previous: 20479.27

	High	Low	Close	Prev.
Ajinomoto	1240	1210	1210	1220
All Nippon Air	735	714	721	714
Amway	3950	3900	3930	3950
Asahi Bank	1060	991	1020	955
Asahi Chem	688	672	673	684
Asahi Glass	1130	1110	1120	1110
Bk Tokyo Mitsu	2390	2310	2320	2280
Bk Yokohama	666	630	653	616
Bridgestone	2670	2640	2640	2650
Canon	3210	3130	3150	3120
Chubu Elec	2110	2050	2050	2100
Chugoku Elec	2050	2010	2020	2050
Dai Nipp Print	2560	2510	2520	2540
Daiei	783	774	780	780
Dai-Ichi Kang	1590	1540	1540	1520
Daiwa Bank	598	569	575	560
Daiwa House	1400	1380	1390	1390
Daiwa Sec	988	944	952	920
DDI	8760a	8640a	8720a	8630a
Denso	2900	2810	2850	2810
East Japan Ry	5760a	5660a	5730a	5750a
Eisai	2230	2190	2210	2200
Fanuc	4370	4260	4270	4290
Fuji Bank	1840	1760	1790	1730
Fuji Photo	4750	4630	4630	4700
Fujitsu	1640	1610	1620	1640
Hachijuni Bk	1160	1140	1140	1150
Hitachi	1340	1310	1310	1330
Honda Motor	3410	3350	3350	3400
IBJ	1930	1830	1850	1830
IHI	460	450	450	455
Itochu	620	600	600	605
Ito-Yokado	6900	6700	6720	6890
JAL	514	498	509	497
Japan Tobacco	9140a	8950a	9000a	9140a
Jusco	3960	3840	3860	3960
Kajima	670	645	658	637
Kansai Elec	2270	2210	2220	2270
Kao	1610	1590	1590	1610
Kawasaki Hvy	551	540	541	536
Kawa Steel	379	369	369	364
Kinki Nipp Ry	702	697	698	699
Kirin Brewery	1190	1180	1180	1190
Kobe Steel	223	217	218	217
Komatsu	913	893	896	915
Kubota	584	558	558	574
Kyocera	9240	9060	9120	9090
Kyushu Elec	2020	1970	1980	2010
LTCB	530	513	515	506
Marubeni	518	509	513	515
Marui	2220	2120	2160	2210
Matsu Comm	4090	4050	4050	4050
Matsu Elec Ind	2320	2280	2280	2310
Matsu Elec Wk	1310	1290	1290	1290
Mitsubishi	1440	1410	1410	1410
Mitsubishi Ch	369	362	362	360
Mitsubishi El	674	661	667	675
Mitsubishi Est	1670	1640	1660	1640
Mitsubishi Hvy	884	875	876	869
Mitsubishi Mat	840	826	831	838
Mitsubishi Tr	1850	1800	1820	1770
Mitsui	1110	1080	1090	1090
Mitsui Fudosn	1590	1550	1570	1560
Mitsui Trust	925	889	890	896
Murata Mfg	4700	4700	4700	4700
NEC	1690	1660	1660	1680
Nikon	1970	1910	1910	1930
Nikko Sec	798	745	753	714
Nintendo	9640	9520	9550	9540
Nipp Express	901	883	884	905
Nippon Oil	639	623	623	624
Nippon Steel	370	362	364	361
Nissan Motor	862	850	850	847
NKK	245	237	239	238
Nomura Sec	1600	1560	1560	1500
NTT	1090b	1070b	1080b	1080b
NTT Data	4580b	4530b	4550b	4580b
Oji Paper	704	691	692	692
Osaka Gas	327	322	326	326
Ricoh	1530	1500	1500	1530
Rohm	11900	11900	11900	11800
Sakura Bk	975	895	922	885
Sankyo	3880	3770	3770	3820
Sanwa Bank	1800	1700	1720	1700
Sanyo Elec	521	514	515	515
Secom	8520	8470	8470	8520
Seibu Rwy	6240	6090	6090	6190
Sekisui Chem	1200	1170	1170	1190
Sekisui House	1150	1120	1140	1130
Seven-Eleven	9070	8900	8900	9040
Sharp	1570	1540	1540	1540
Shikoku El Pwr	1990	1920	1940	1980
Shimizu	691	675	690	663
Shin-etsu Ch	3090	3050	3060	3080
Shiseido	1910	1890	1900	1910
Shizuoka Bk	1430	1340	1370	1330
Softbank	7600	7510	7550	7470
Sony	10100	9920	9920	9890
Sumitomo	1080	1060	1080	1040
Sumitomo Bk	1950	1890	1890	1860
Sumit Chem	516	506	506	518
Sumitomo Elec	1890	1870	1880	1870
Sumit Metal	322	310	311	318
Sumit Trust	1300	1260	1260	1240
Taisho Pharm	3070	2980	3030	3030
Takeda Chem	3200	3170	3170	3230
TDK	8510	8390	8400	8390
Tohoku El Pwr	2060	2030	2040	2050
Tokai Bank	1240	1180	1200	1150
Tokio Marine	1510	1450	1490	1470
Tokyo El Pwr	2400	2380	2400	2410
Tokyo Electron	5740	5680	5680	5700
Tokyo Gas	314	310	310	314
Tokyu Corp.	717	704	704	715
Tonen	1480	1420	1420	1460
Toppan Print	1810	1770	1770	1770
Toray Ind	841	832	835	840
Toshiba	758	750	750	755
Tostem	3270	3220	3220	3280
Toyo Trust	1010	965	970	967
Toyota Motor	3440	3370	3370	3430
Yamanouchi	3150	3120	3120	3110

a: x 100; b: x 1,000

Toronto — TSE Industrials: 6488.99, Previous: 6515.88

	High	Low	Close	Prev.
Abitibi Cons.	25.30	25	25.15	25.35
Alberta Energy	34.80	34.70	34.70	34.85
Alcan Alum	47.65	47.15	47½	47½
Anderson Expl	17.80	17.40	17½	17.40
Bk Montreal	55¼	54.65	54.85	55.35
Bk Nova Scotia	61.85	61.10	61.35	61.70
Barrick Gold	31½	30.80	31.15	31.15
BCE	40¼	39.65	39.85	40.15
BC Telecomm	32.20	32	32.30	32.20
Biochem Pharm	31	30½	30½	31.85
Bombardier B	31.10	30.70	30¾	31
Brascan A	34.30	34.10	34.15	34.35
Cameco	51.60	50¾	51	52¼
CIBC	36.10	35.60	35.85	36.35
Cdn Natl Rail	60.05	58.70	59.80	59.65
Cdn Nat Res	36.30	36	36.10	35.90
Cdn Occid Pet	30.80	30.45	30¾	31
Cdn Pacific	39.70	38.30	38¾	38.80
Cominco	36.70	36.40	36.55	36½
Dofasco	25.95	25½	25.70	25.95
Domtar	12.15	12.05	12.05	12
Donohue A	29.90	29¾	29¾	30
Du Pont Cda A	30½	30¼	30½	30½
Edper Group	23.65	23.45	23.45	23.55
EuroNev Mng	43.70	42.85	43.20	43¼
Fairfax Finl	395.10	391	395	393
Falconbridge	27½	27.10	27.20	27.30
Fletcher Chall A	24.05	23.85	24.05	23.80
Franco Nevada	71	70	70.10	70½
Gulf Cda Res	11.70	11.30	11.45	11.60
Imperial Oil	71.55	71¼	71.30	71.55
Inco	42	41½	41.80	41.70
IPL Energy	44.95	44.60	44.85	45
Laidlaw B	19½	19.15	19.20	19.60
Loewen Group	47.40	46¾	46¾	47.10
Macmill Bldl	19.60	19¼	19¼	19.95
Magna Intl A	83	82	82.35	83.40
Methanex	12¾	12½	12.65	12.60
Moore	28.60	28¼	28.30	30.05
Newbridge Net	60.05	59.20	59.40	60.30
Noranda Inc	30	29.60	29.80	29¾
Norcen Energy	32.80	32¼	32.80	32.35
Nthern Telecom	123.15	121.60	122¼	123.20
Nova	11.70	11.55	11.60	11.65
Onex	27½	27¼	27¼	27½
Pancan Petlm	28.60	28.20	28.20	28.60
Petro Cda	23.30	22.90	22.90	23.30
Placer Dome	23.65	23.05	23.40	23.30
Poco Petlm	14.15	13.90	14	14
Potash Sask	105¾	104½	104½	106¼
Renaissance	40	39.70	39.70	39¾
Rio Algom	33½	33.10	33.30	33.30
Rogers Cantel B	26½	26	26¼	26½
Seagram Co	56¼	55.40	56	56¼
Shell Cda A	21.95	20.60	20.90	61.40
Suncor	37.15	36.65	36.65	36.70
Talisman Eny	43.55	42.85	42.90	43.45
Teck B	28.10	27.60	28.05	27.90
Teleglobe	52½	52	52.20	52.30
Telus	25.65	25.30	25.30	25.40
Thomson	32.40	32	32¼	32.40
TorDom Bank	42.90	42½	42.55	43¼
Transalta	16.60	16.40	16½	16.60
TransCda Pipe	27.85	27.60	27.70	28.10
Trimark Finl	60.35	59.85	60.05	60
Trizec Hahn	30.70	30.30	30.35	30.60
TVX Gold	7¾	7.65	7¾	7¾
Westcoast Eny	25.40	25.30	25.35	25.40
Weston	90	89	89	90

Vienna — ATX index: 1296.28, Previous: 1295.91

	High	Low	Close	Prev.
Boehler-Uddeh	950	939.60	945.50	936
Creditanst Pfd	491	482.50	491	486.30
EA-Generali	3180	3156	3175	3175
EVN	1624	1606	1606	1616
Flughafen Wien	512	504	511	504
OMV	1595	1572	1576	1570.10
Oest Elektriz	859	852.50	854.65	854.10
VA Stahl	562	555.50	559	557.10
VA Tech	2228	2183.60	2183.60	2191
Wienerberg Bau	2510	2488.60	2490.25	2503

Wellington — NZSE-40 index: 2410.15, Previous: 2402.53

	High	Low	Close	Prev.
Air NZeald B	4.33	4.30	4.32	4.30
Brierly Invt	1.39	1.37	1.39	1.38
Carter Holt ord	3.64	3.59	3.59	3.65
Fletch Ch Bldg	4.33	4.29	4.33	4.35
Fletch Ch Eny	4.40	4.30	4.34	4.41
Fletch Ch Forst	2.14	2.08	2.14	2.12
Fletch Ch Paper	3.48	3.42	3.48	3.45
Lion Nathan	3.72	3.70	3.72	3.72
Telecom NZ	7.14	7.00	7.11	7.04
Wilson Horton	11.70	11.70	11.70	11.70

Zurich — SPI index: 3577.89, Previous: 3571.55

	High	Low	Close	Prev.
ABB B	2222	2174	2194	2178
Adecco B	574	563	567	587
Alusuisse R	1501	1473	1493	1506
Ares-Serono B	2170	2132	2150	2152
Atel R	880	870	870	900
Baer Hdg B	2265	2235	2255	2250
Baloise Hdg R	3490	3435	3480	3420
BK Vision	1208	1200	1201	1205
Ciba Spec Chem	138	134.75	135.50	138
Clariant R	958	937	955	943
Crd Suisse Gp R	193	188.25	189	192.25
Elektrowatt B	541	540	541	540
Ems-Chemie	6440	6390	6410	6425
ESEC Hdg	4800	4590	4675	4600
Holderbank B	1407	1370	1377	1385
Liechtenst LB B	531	516	531	519
Nestle R	1964	1942	1943	1937
Novartis R	2384	2352	2367	2338
Oerlikn Buehr R	176	172	172.75	171
Pargesa Hld B	1936	1890	1920	1932
PharmVisn B	842	833	838	835
Richemont A	2045	1975	2020	1940
Pirelli PC	287	285	287	285
Roche Hdg PC	13570	13365	13505	13490
SBC R	381	375	376.50	377
Schindler PC	1840	1815	1815	1840
SGS B	3195	3110	3170	3140
SMH B	865	840	859	867
Sulzer R	1308	1270	1270	1313
Swiss Reins R	2134	2078	2088	2109
Swissair R	1620	1585	1606	1618
UBS B	1705	1663	1663	1673
Winterthur R	1296	1275	1289	1291
Zurich Assur R	596	585	589	583

The Trib Index

Prices as of 3:00 P.M. New York time.

Jan. 1, 1992 = 100.	Level	Change	% change	year to date % change
World Index	176.55	+1.47	+0.84	+18.38
Regional Indexes				
Asia/Pacific	139.48	+3.53	+2.72	+8.14
Europe	184.16	+2.69	+1.48	+14.24
N. America	200.96	-2.49	-1.22	+24.12
S. America	175.02	+2.75	+1.60	+52.95
Industrial Indexes				
Capital goods	217.74	+0.92	+0.42	+27.39
Consumer goods	197.30	+0.33	+0.17	+22.22
Energy	205.63	+0.85	+0.42	+20.46
Finance	134.00	+3.10	+2.37	+15.06
Miscellaneous	174.79	+1.90	+1.10	+8.04
Raw Materials	186.31	+0.38	+0.20	+6.23
Service	166.72	+1.18	+0.71	+21.41
Utilities	157.74	+2.07	+1.33	+9.95

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. — Compiled by Bloomberg News



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NYSE

Thursday's 4 P.M. Close

Nationwide prices not reflecting late trades elsewhere.

The Associated Press.

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International Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

THE WORLD'S DAILY NEWSPAPER

Continued on Page 19

هكذا من الأصل

Firms Discover Limits of India's Middle Class

By Miriam Jordan
Special to the Herald Tribune

NEW DELHI — Daewoo Motor Co. Ltd. gives away 200 sedans for an 18-month "test drive," Whirlpool Corp. offers buyers of refrigerators and washers the chance to win an apartment and a car. Akai Electric Co. Ltd. lures customers for its color televisions by paying handsomely for their old sets.

A nationwide clearance sale is on in India.

Lured by estimates that India's middle class is the size of the population of the United States or several European countries combined, makers of everything from corn flakes to cars flocked here after free-market reforms in 1991 began to transform the economy.

Now, with inventories mounting, multinationals are discovering that "the middle class of India is not the middle class of the West, by a long shot," said K.B. Dadiseth, chairman of Hindustan Lever, the Indian subsidiary of the Anglo-Dutch consumer giant Unilever PLC.

In much of the West, a middle class family has a mortgage, car, personal computer and enough savings for an annual vacation. In India, "middle class is a family that can afford to eat a balanced diet, send the children well-clothed to school and buy a black and white television," Mr. Dadiseth said.

A 1996 Gallup poll found that the average Indian household earns $780 a year. Half that income goes to food and clothing, the survey determined.

What is more, when they do spend on consumer goods, Indians have a number of local brands to choose from. These realities are prompting many multinationals to review their break-even dates and market strategies.

Nothing illustrates the disappointment more than the accumulation of midsize American, European and South Korean cars, priced at $15,000 or more. Total car sales rose 19 percent, to 411,000, for the year ended March 1997, but the market was dominated by an Indian subcompact that cost $6,000. The Association of Indian Automobile Manufacturers has scaled back its projection for car sales by the year 2000 to 700,000 from 850,000.

Daewoo Motors' plant outside New Delhi operated at one-third its capacity last year. The company sold less than 16,000 Cielo sedans, half what it had anticipated. "We were very surprised," said S.G. Awasthi, managing director of Daewoo in India. To get Indians into its showrooms, Daewoo offered 200 Cielos for 18-month test drives. Some 350,000 Indians have applied for the lucky draw.

"Companies wishfully overestimated the size of the middle class," said Amit Roy, President of ORG/MARG, a leading market research firm.

In New Delhi, the nation's richest city, home-theater and stereo televisions are languishing on store shelves. "The income of Indians is too low to justify buying such products," said Ravi Chhadra, owner of a home appliance store in a middle class neighborhood. He noted that most of his customers buy 20-inch (51-centimeter) color sets, priced at $250, in installments.

Annual sales of color television sets stagnated at 1.9 million sets in 1996, and the Consumer Electronics & Television Manufacturers Association now expects Indians to have bought 5 million sets by 2000, five years later than forecast. Akai, Sony Corp., Daewoo and Samsung Electronics Co. Ltd. are just some of the foreign entrants into the saturated market.

"Sony is working on reducing its prices to have better results," said Y. Kubo, who heads Sony's wholly owned Indian subsidiary.

The battle for market share in India has driven some of the world's leading brands to craft audacious sales promotions, while competitors are quick to cry foul.

Early this year, General Electric Co. and its Indian partner, Godrej, took Whirlpool's Indian unit to court to stop it from offering refrigerator and washing machine buyers the chance to win prizes that included an apartment in New Delhi. Invoking an Indian unfair-trade act, Godrej/GE Appliances accused Whirlpool of "luring gullible consumers" to buy a refrigerator or washer "without concern for quality," according to a lawyer for Godrej/GE Appliances. The court forced Whirlpool to suspend the plan.

Meanwhile, judging from refrigerator sales, consumers are not that interested in quality when it comes to having the latest technology available. Only 10 out of every 100 sold has so-called frost-free technology, a standard feature for decades in Western fridges. In a country of 950 million people, only 2.9 million refrigerators were sold last year, most of them only slightly larger than a mini-bar fridge in a hotel room.

So, how big is the Indian middle class?

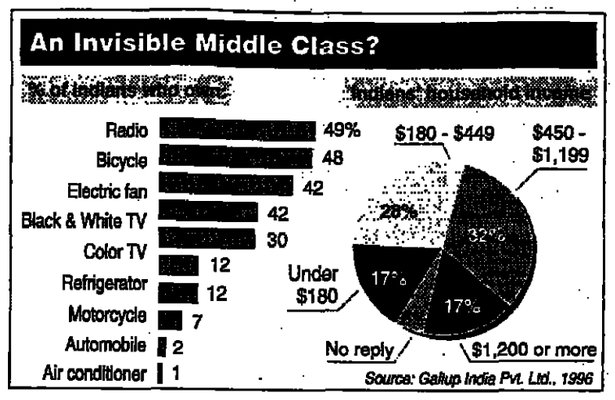
Whirlpool currently estimates that 65 million people can afford to buy a refrigerator. But only 35 million are potential buyers. "You can't expect someone to buy a refrigerator if he still doesn't own a radio," said Garrick D'Silva, managing director of Whirlpool India.

Reebok International Ltd. reckons that 50 million Indians can afford its sports shoes and apparel.

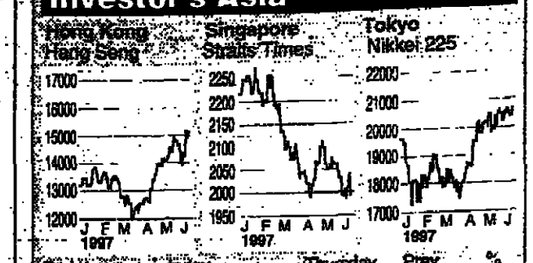
Still, "to capture that 50 million, you need a very good distribution network," cautioned Muktesh Pant, managing director of Reebok India.

The country's buying power is scattered, and much of it lies untapped in medium-sized towns made remote by potholed roads.

"Nobody doubts that India will be one of the world's biggest markets," Mr. Pant said. "The question is how long will it take to get there."



Investor's Asia



Exchange	Index	Thursday Close	Prev. Close	% Change
Hong Kong	Hang Seng	15,128.02	15,065.02	+0.42
Singapore	Straits Times	1,988.80	2,023.86	-1.68
Sydney	All Ordinaries	2,699.90	2,705.10	-0.19
Tokyo	Nikkei 225	20,624.76	20,679.27	-0.26
Kuala Lumpur	Composite	1,066.74	1,069.96	-0.30
Bangkok	SET	520.02	496.03	+4.84
Seoul	Composite Index	744.34	744.99	-0.09
Taipei	Stock Market Index	8,871.76	8,956.41	-0.95
Manila	PSE	2,837.16	2,829.29	+0.28
Jakarta	Composite Index	709.41	712.50	-0.43
Wellington	NZSE-40	2,410.15	2,402.53	+0.32
Bombay	Sensitive Index	4,116.56	4,093.62	+0.56

Source: Telekurs — International Herald Tribune

Very briefly:

• **Thailand's** foreign-exchange reserves dropped to a two-year low of $33.3 billion in May, and its balance of payments shortfall expanded to 112.3 billion baht ($4.47 billion) from 15.5 billion baht in April.

• **Finance One PLC**, a debt-ridden bank, could face an arranged merger with **Krungthai Thanakit PLC**, a brokerage firm and subsidiary of the state-owned commercial lender **Krung Thai Bank PLC**, after the failure of the **Bank of Thailand** to buy into the firm's rights issue.

• **Ryuichi Koike**, a Japanese corporate racketeer at the center of a scandal implicating **Nomura Securities Co.** and **Dai-Ichi Kangyo Bank Ltd.**, was indicted by Tokyo prosecutors for extortion. Four former Dai-Ichi Kangyo executives were also indicted for making illegal payoffs.

• **Indonesia** has proposed changes to its mining regulations, including requiring a free 10 percent share in any project to be given to the government, which industry sources said could dampen the investment climate.

• **Brierley Investments** of New Zealand confirmed it had raised its stake in **John Fairfax Holdings Ltd.**, a publisher, by 2.11 percentage points, to more than 22 percent.

• **The Federation of Korean Industries** said the economy would grow 5.9 percent this year, up from its forecast of 5.5 percent, as rising exports and strong sales swelled corporate profits at Korean companies.

• **Vietnam** will tell U.S Secretary of State Madeleine Albright, who arrived in Hanoi on Thursday, that U.S. demands for a trade agreement were "not realistic," Vietnam's Ministry of Foreign Affairs said.

• **Reliance Industries**, an Indian petrochemicals and textile company, gave its shareholders a 1-for-1 bonus share issue.

• **Shanghai Petrochemical Co.'s** shares rose 12 percent, to 1.90 Hong Kong dollars (25 cents), on news China would not approve any new oil refineries or ethylene plants, days after the company signed agreements to strengthen its hold on China's chemicals industry. *Reuters, Bloomberg, AFP*

Fighting to Survive

Kia Motors Trims Payroll to Cut Cost

Compiled by Our Staff From Dispatches

SEOUL — Kia Motors Corp., South Korea's third-largest automaker, said Thursday it would transfer a third of its employees to a sales subsidiary in a bid to slash costs and revive slowing sales.

Kia will relocate 10,000 employees, trimming its work force to 19,000, said Chun Sang Jin, a company spokesman.

The move comes as its debt-ridden parent company, Kia Group, struggles to survive by selling real estate holdings and asking banks for emergency loans.

Analysts said the reorganization might encourage banks to help Kia, which has an estimated debt of $6.2 billion. The state-run Yonhap news agency said Kia executives met with banks Thursday to ask them to stop recalling loans.

"The massive restructuring is part of the company's long-standing policy to rationalize management," Mr. Chun said.

Separately, Kia Motors' labor union said Thursday it would allow management to set this year's wage increase, a move analysts said would reassure skittish lenders.

"Management has fully explained about the company's financial position and asked for our understanding," the union's chairman, Lee Seung Jae, said. "To break the chain of financial pressures, we needed a tangible decision."

Kia Motors, which has an annual production capacity of 1.1 million cars, has $3.5 billion of debt, more than twice its shareholders equity.

Labor strikes in January, a slowing economy and a shrinking auto market contributed to creating Kia's troubles this year.

The company's domestic market share dropped to 19.2 percent in the first five months of the year, down from 25.8 percent in the comparable period a year earlier. Daewoo Motors Co. overtook Kia as Korea's second-biggest car manufacturer behind Hyundai Motor Co.

Meanwhile, Kia said its construction division, Kisan Corp., would sell its headquarters building in eastern Seoul valued at 50 billion won ($56.3 million) to ease a cash shortage.

The measures came as Asia Motors Co., a commercial-vehicle unit of Kia Group, missed a debt payment last week, raising concern that Korea's eighth-largest industrial conglomerate could fail.

Earlier this week, the group put its real-estate holdings of 795 billion won up for sale to raise fresh funds.

Analysts said Kia's latest measures were a positive step.

"A set of Kia's self-rescue steps could encourage banks and other financial institutions to help it overcome the crisis" said Yang Dong Ki, analyst at Dongbang Peregrine Securities Co. *(Bloomberg, Reuters)*

■ Seoul Eases Ban on Imports

South Korea will ease a ban on the import of Japanese vehicles beginning Tuesday, Agence France-Presse reported.

The move, which will allow three Japanese utility models to be imported, was in line with South Korea's pledge to remove nontariff barriers against Japanese products by the end of 1999, Trade Ministry officials said.

When South Korea joined the Organization for Economic Cooperation and Development last year, it promised to end its ban on imports of more than 100 Japanese products, including cars and home appliances.

Seoul Bank Assails Reform Plans

Compiled by Our Staff From Dispatches

SEOUL — The South Korean central bank criticized government plans for finance reform Thursday and said it would present its own proposals.

The Bank of Korea said the Finance Ministry's bill would undermine the independence of the central bank and hurt the efficiency of the financial supervisory system.

"Should the ministry's bill become law," the statement said, "the central bank would degenerate into a tool of the government and government control on finance would be further strengthened."

The Bank of Korea opposed the integration of the three existing supervisory bodies, one each for banks, security houses and insurance companies, into a single watchdog as was called for by the reform bill.

It said the proposed integrated supervisory body, which the government bill said would be placed under the jurisdiction of the prime minister, would lead to increased government intervention in banking.

The government said the integration of supervisory bodies was necessary at a time when distinctions of financial institutions and their businesses are becoming blurred and merged.

The other point of contention with the government plan concerns the status and role of the central bank.

According to the government blueprint, the Monetary Board would be separated from the central bank and become the supreme decision-making organ of the central banking system, while the bank of Korea would degenerate into its "executive body."

But the bank said the Monetary Board, whose chairman would be appointed by the South Korean president, would end up as a tool for the government to maintain its grip on the country's monetary and credit policies.

The bank said it would send its own proposals to academics, financial experts and politicians, and would consider submitting it to Parliament for passage into law in the form of national petition. *(AFP, Bloomberg)*

MIGRANTS: *At McKay Nursery Co., Workers Are Playing Increasingly Influential Roles*

Continued from Page 13.

employers say there are not enough natives and legal immigrants to meet their needs.

But critics say that the growers are simply trying to avoid paying higher wages and that unemployment remains high among farm workers. The Labor Department estimated in its most recent study that 190,000, or 12 percent, were unemployed in 1994. Hearings have not yet been scheduled on the Senate bill.

At McKay, wages are legal but meager by any measure. New migrants start at $6 an hour, far less than the $7.50-an-hour average for farm workers in the Great Lakes region.

Just 30 hours a week of work are guaranteed, although migrants can count on the typical spring workload being almost double that. After 35 years, Mr. Almanza's base wage has risen to just $9.50 an hour.

In California, which has half the nation's farm workers, the union wages paid at Dole Food Co. start at almost $7.50 an hour plus piecework bonuses that lift the average to more than $9. And migrant workers can easily find jobs paying $12 an hour or more in meatpacking operations here in the upper Midwest.

But McKay's other benefits and advancement opportunities keep more than 90 percent of its migrant workers returning year after year. Ten of McKay's 60 year-round employees, including several key managers, are former migrants whose early stints on its payroll lasted only through the 10 weeks of spring when the company is busiest shipping trees and shrubs.

About 60 migrants have moved into jobs that keep them on the payroll eight months annually, long enough to work the minimum 1,000 hours needed to receive bonus payments in company stock along with the year-round staff.

Eligible migrant workers receive bonuses equal to 20 percent to 25 percent of their wages in stock or cash, the mix depending on how much stock is available to distribute in a given year. It comes to at least $2,000 worth of stock or cash each year for even the lowest paid worker, Mr. Mason said.

The stock, which is not traded publicly, is revalued each August by an outside accounting firm. Mr. Mason said it had been steadily appreciating but declined to reveal the most recent price. McKay does not release financial performance data, but filings with industry associations and statements about the breakdown of sales suggest that annual revenue is about $15 million.

Employees are required to sell their stock to the company when they retire, which limits its value. Mr. Mason worries about outsiders trying to convince employees to eliminate that restriction in the stock plan, risking loss of control of the company in return for a short-term gain in the value of the shares.

McKay is uneasy about being cast as a model of progressive migrant labor policy. Indeed, in horticultural terms, the century-old company might be seen as a "sport," a freak of nature that pops up unexpectedly through a combination of heritage and circumstances that may not be easily duplicated. Senior executives stress that McKay's employment policies for migrant workers are just one part of a unique and sometimes stressful corporate culture.

Hong Kong Tightens Law On Copyrights

By Richard Covington
Special to the Herald Tribune

In a compromise days before the handover of Hong Kong to China, the territory's Legislative Council has passed a tough new copyright law.

"The new bill injects additional free trade provisions and puts more teeth into efforts to combat piracy from China and elsewhere," said Garrie Roman, managing director of the KPS record store chain.

The law, which goes into effect Friday, doubles fines for the piracy of audio and video disks and computer software to 50,000 Hong Kong dollars ($6,400) a copy, and imposes prison terms of up to four years for violators.

The law requires record retailers to prove that they have copyright permission for every title, which will force them to acquire their stocks from local distributors run by the major labels.

According to Henry Winter, an analyst for Booz, Allen & Hamilton, the major stores like HMV, KPS and Tower Records will be forced to reduce their stocks by as much as 20 percent in the short term. There will also be a "noticeable increase in prices" over the next six months, Mr. Winter predicted.

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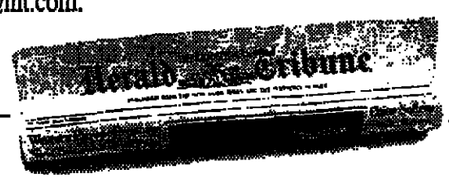
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THE WORLD'S DAILY NEWSPAPER

RICHEMONT

RESULTS FOR THE YEAR ENDED 31 MARCH 1997

The Board of Directors of Compagnie Financière Richemont AG announces the following results for the year ended 31 March 1997.

	1997	1996	
Net Sales Revenue	£ 4755.8 m	£ 4306.9 m	+ 10.4%
Operating Profit	£ 954.2 m	£ 798.9 m	+ 19.4%
Profit Attributable to Unitholders	£ 302.9 m	£ 316.1 m	– 4.2%
Earnings per Unit	£ 52.75	£ 55.05	– 4.2%
Dividend per Unit	£ 9.40	£ 8.00	+ 17.5%

The financial highlights shown above exclude the effects of exceptional items and goodwill amortisation from the results for both years.

- The Group's operating profit increased substantially against the previous year.
  - Improved results from Richemont's tobacco interests reflected an increase of 6.7% in underlying tobacco operating profit along with the favourable impact of the merger of Rothmans International with the tobacco businesses of Rembrandt Group in January 1996.
  - Vendôme Luxury Group reported an increase of some 10% in operating profit in Swiss franc terms, although on translation into sterling operating profit showed a decline of 2.6%.
  - The Group's share of operating losses from its media interests, which were held through NetHold until the end of March 1997, increased by £ 34.7 million to £ 81.0 million.
- Profit attributable to unitholders and earnings per unit, adjusted to exclude exceptional items and goodwill amortisation, decreased by 4.2% to £ 302.9 million and £ 52.75, respectively. These results reflected in particular the substantial increase in losses incurred by the Group's media interests. In addition, the results were adversely impacted by the strength of sterling in the year under review, which reduced attributable profit by some £ 29 million. On an underlying basis, therefore, the Group's tobacco and luxury goods businesses achieved satisfactory growth.
- The merger of Canal+ and the European operations of NetHold, which was concluded at the end of the financial year, resulted in an exceptional gain of £ 291.5 million. Following the merger, Richemont holds a 15% equity interest in the enlarged Canal+.

Copies of the full results announcement and the annual report may be obtained from:
Compagnie Financière Richemont AG Rigistrasse 2 6300 Zug Switzerland
Telephone: +41 (0)41 710 33 22 Telefax: +41 (0)41 711 71 02

Richemont International Limited 15 Hill Street London W1X 7FB
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June 26, 1997

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AS - Australian Dollars; AS - Austrian Schillings; BF - Belgian Francs; C$ - Canadian Dollars; DM - Deutsche Marks; Dkk - Danish Kroner; Do - US Dollars; ECU - European Currency Unit; FF - French Francs; FM - Finish Mark; FL - Dutch eFlorin; IDR - Indonesian Rupiah; Lit - Italian lire; LF - Luxembourg Francs; p-pence; MYR - Malaysian Ringgit; Ptas - Pesetas; SGS - Singapore Dollars; SF - Swiss Francs; Sek - Swedish Kronor; THB - Thai Baht; Y - Yen;

a - actual • - Offer Prices; N.A. - Not Available; N.C. - Not Communicated; ▷ - New; $ - suspended; S/S - stock Split; * - Ex-Dividend; ** - Ex-Rts; - ◊ Offer Price incl. 3% prelim. charge; - - Paris exchange; ++ -Amsterdam exchange; ◊ - misquoted earlier; x-not registered with regulatory authority; P: Middle of bid and offered price. E: estimated price; y: price calculated 2 days prior to publication; z: bid price.

The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (f) - fortnightly; (r) - regularly; (s) - twice weekly; (m) - monthly.

NOKIA 9000 Communicator

هكذا من الأصل

هكذا من الأصل

NASDAQ

Thursday's 4 P.M.

The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year.
The Associated Press.

NYSE

Thursday's 4 P.M. Close

(Continued)

Herald Tribune INTERNATIONAL
SPORTS

WORLD ROUNDUP

Marlins for Sale, Team's Owner Says

BASEBALL Wayne Huizenga, who says he will lose $30 million on the Florida Marlins this season, is putting the team up for sale, but won't let them move out of town.

"It's a tough decision to make for us," Huizenga said Thursday. "We have lost money every year. The simple answer is we are not willing to sustain the losses."

"We believe the team is going to stay in Florida. We want to keep it in South Florida," he added.

Huizenga committed $175 million, nearly doubling the team's payroll, to upgrade the team this year. Attendance has risen by 35.1 percent from last season — the largest increase in the major leagues — but Huizenga says that wasn't enough to offset his losses. *(AP)*

Barcelona Changing Boss

SOCCER Bobby Robson said he has been told he will not continue as Barcelona's first team coach next season although he is expected to stay with the club. *(Reuters)*

Popular Appeal

ARENA FOOTBALL The new Women's NBA and the Major Soccer League were both outdrawn last weekend in the United States by the Arena Football League.

The league, in its 11th season, set a one-week record. Its seven games drew 96,821. The top attendance was 16,923 at America West Arena in Phoenix, where the Arizona Rattlers beat the Florida Bobcats *(AP)*

Johnson Returns to Base

ATHLETICS The World and Olympic champion Michael Johnson reacted Thursday to his first 400 meters defeat in eight years by withdrawing from Sunday's Grand Prix in Sheffield and next Wednesday's meeting in Lausanne. He flew back to his Texas training base.

On Wednesday in Paris, Johnson ran his first race since pulling up lame against Donovan Bailey in Toronto. He finished fifth in the 400-meters, ending a streak of 58 consecutive victories at the distance.

Antonio Pettigrew, the American champion, won in 44.86. Another double Olympic champion, Marie-Jose Perec of France, finished seventh in the 200 meters.

In the 100 meters, Bailey, the Olympic champion and world-record holder, easily beat a field that included the top performers from the American championships.

In a race between the two top 1,500-meter runners, Hicham El Guerrouj of Morocco beat the world-record holder Noureddine Morceli of Algeria by 15 meters. *(AP, Reuters)*



Agence France-Presse

Donovan Bailey sprinting to victory in a 100 meters in Paris.

Holyfield Isn't Afraid (But He Used to Be)

By Tom Friend
New York Times Service

LAS VEGAS — A certain boxer at the MGM Grand hotel is unafraid of Mike Tyson, which qualifies as a first. Either Evander Holyfield knows something or is headed for a long nap Saturday night.

But, from all appearances, the real bully here is from Atlanta.

For the first 30 years of Tyson's life, one sucker after another would line up to fight him, worried they would be eating dinner with a straw afterward.

Yes, Tyson's left hook won him a few fights back, but so did his opponents' fear — fear of flying into the front row.

Holyfield had that same trepidation seven, nine, 11 months ago, and he almost quit because of it. He almost dialed up Don King and called the first Tyson fight off, or so the story goes, until he thought better of it. Good career move.

Actually, he has almost quit a thousand times, or at least five, dating to the days when he was 11 years old. Back then, it was his stubborn mother who ordered him to press on, and this time it was another woman in his life, a doctor.

Holyfield's latest crisis began with the Bobby Czyz fight in May 1996, an uninspired five-round technical knockout victory that left Tyson yawning.

It appeared to be a tuneup to nowhere because if Czyz had been a complicated opponent, what would Tyson be? There was also the matter of Holyfield's heart, and whether it was ticking properly. He had almost left the sport because of arrhythmia, and before the Tyson fight, the Mayo Clinic and others had to sign off on it.

"Yes," King said Wednesday of Holyfield. "Everyone before the first fight wanted him examined and the examiner examined."

Holyfield did not know what was worse: all those doctors, or his new sparring partner. Holyfield's trainer, Don Turner, had asked a 25-year-old heavyweight, Gary Bell, to emulate Tyson in practice sessions. And Bell, who had idolized Tyson growing up in Jamaica, Queens, had the biceps and triceps for the job.

Bell was told to charge furiously at Holyfield, right from the opening bell, which is exactly what Tyson would do. He would throw left uppercuts to the body — Tyson's favorite punch — for 30 seconds straight, and then they would stop and simulate it all over again.

They were preparing Holyfield for the first round, but, he almost did not make it there. "I did almost quit right then," Holyfield said Wednesday.

"You have to convince yourself you're ready. Having a guy like Gary Bell, as tough as he is, put a lot of pressure on me each and every day, it was awful. I mean, the guy is young, and he's got a young body, and is aggressive. And you get frustrated. You're thinking, 'I'm sparring a guy who's 25 years old, and he don't have much skills, and he's doing all of this to me, oh no.'

"And then I'm supposed to fight a guy supposedly a lot better? Tyson?"

If that was not fear, nothing was. It was also the nudge that Holyfield needed. Just as he was about to turn in his locker room key, he thought of Cecil Collins.

"I'll never forget it," Holyfield said. "I got my early experience at 11 years old. I got beat by a guy named Cecil Collins.

"Cecil Collins was a little white kid, and he was cross-eyed, and I was a little bigger than him, and I thought I'd beat him because I was black and he was white, and because I was just bigger. And he beat me twice. And I beat him the third time. And it's amazing, that one win overwhelmed two.

"But, you see, that had been my first time losing. I started at 8 and the first time I lost was 11 years old, and this white kid, Cecil Collins, he's the first guy I hit and didn't cry. And I hit him, and he hit me back, and I kept hitting him, and he kept hitting me, and he didn't quit. I was amazed.

"I went to quit, and my momma wouldn't let me quit. My momma said she didn't raise no quitter. I had to go back, and he beat me again, and my momma said, 'No you've got to go back and work hard.' Then, I beat him the third time and my momma said, 'You can stop boxing if you want to,' and I said to myself, 'Why do I want to stop now?' "

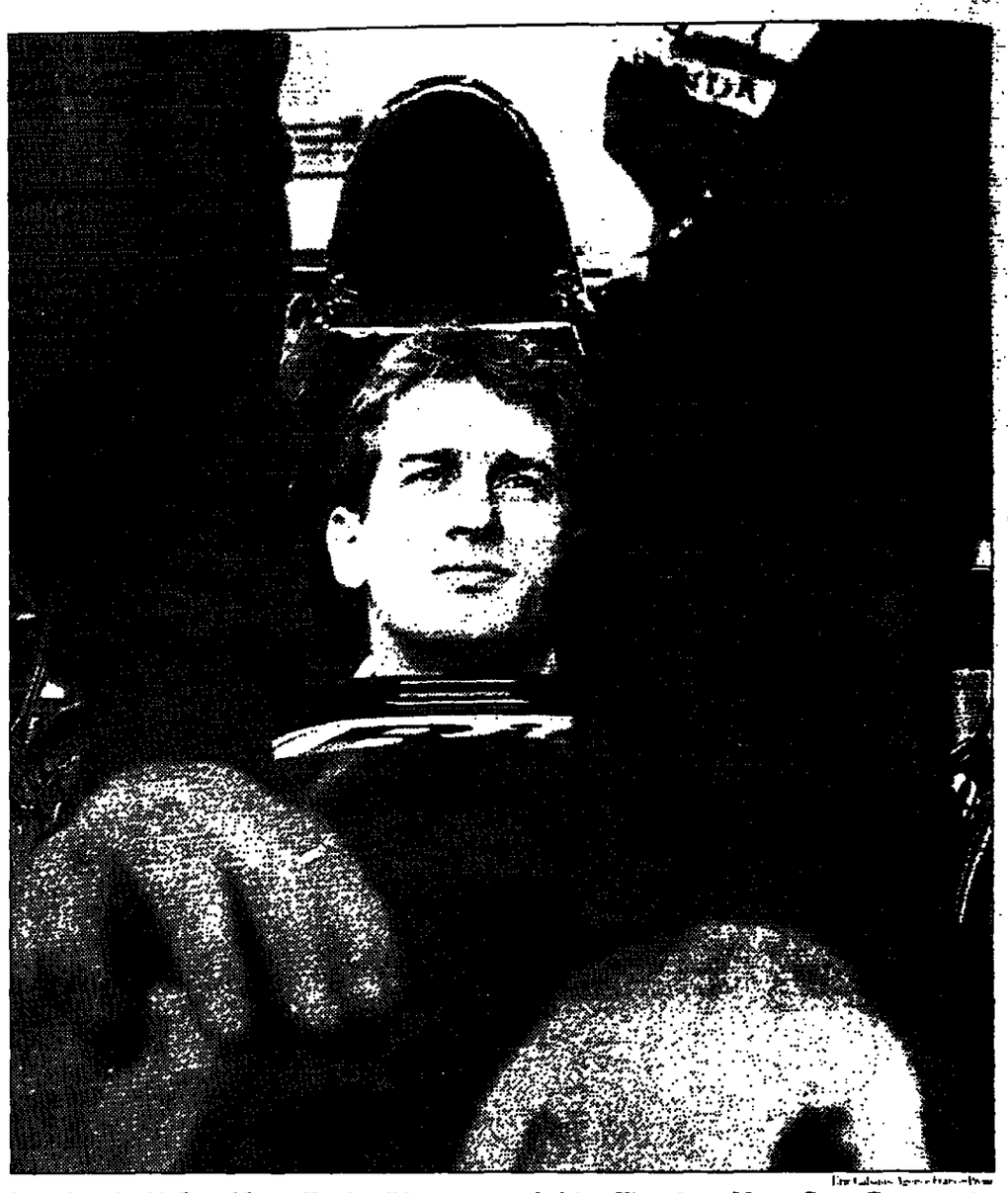
That is exactly what he decided again after one of those Bell sparring sessions — while in the arms of his woman friend, Dr. Janice Itson. He was ready to bail, but she played the part of his momma and together they decided quitting was out of the question. A few weeks later, they married, and three weeks after that, the Tyson fight got under way.

Just as Turner predicted, Tyson came out furiously — "just like Gary Bell" — and just when Holyfield was expecting a left hook just like Bell's, Tyson caught him with a right hand.

Holyfield almost keeled over, but tried a novel concept: hitting back.

When the round was over, Turner had only one thing to say: "You're the bully in here. He ain't the bully."

And Tyson still ain't.



Jarno Trulli in his Prost Mugen-Honda talking to team technicians Thursday at Magny Cours, France.

In Formula 1, Talent Is Not Enough

By Brad Spurgeon
International Herald Tribune

Gianni Morbidelli calls it Formula One's "natural selection of drivers."

To get a coveted drive in a Grand Prix, it is not enough to have talent. Many of the drivers in the French Grand Prix at Magny Cours on Sunday are also well connected or have simply been in the right place at the right time.

Some of those who won't be driving have been in the wrong place at the wrong time. Morbidelli is one of those.

Morbidelli, who drives for the Sauber team, skidded off in testing at Magny Cours last week and broke an arm. A few days earlier Olivier Panis, the star driver for the Prost team, crashed during the Canadian Grand Prix in Montreal. He broke both legs and won't be driving this weekend either. This is natural selection at its most brutal. If you crash you might not drive.

There's no telling what such a sabbatical will do to Panis, whose career had been steadily advancing first with Ligier — with whom he won the Monaco Grand Prix last year — then with Prost where he recently set the fastest time in testing at Magny Cours. Alain Prost, the team owner, had hoped Panis could win their home race.

Forced to replace his lead driver on short notice, Prost faced a difficult decision. In the end he selected a sliver of experience over a large potential.

He turned first to Emmanuel Collard, 26, a Frenchman who had been considered earlier as a possible replacement for Prost's disappointing second driver, Shinji Nakano.

Collard was France's first world karting champion in 1988 at 17. He was champion of French Formula Renault in 1990, and was Porsche Supercup champion last year. He has been a contender for a seat in Formula One since 1990 and has test-driven for Ligier, Williams, Benetton, Tyrrell and, last week, Prost. But he has never driven a race in Formula One.

Ken Tyrrell, the doyen of Formula One team owners, said of Collard: "Of all the people I've ever met who are not in Formula One, and who ought to be in Formula One, he tops the list."

Tyrrell also called Collard, "the next French world champion."

But Collard said: "I'd just like to race first. I'd like to start by getting into a car."

His problem is the same for all prospective Formula One drivers.

"The top teams don't want the driver to have a 'learning year' with them," said Tyrrell. "They want somebody who's going to win now."

After testing, Prost passed over Collard in favor of Jarno Trulli. Trulli, an Italian, is just 22, but he drove the first seven races of the season for Minardi. He never finished better than ninth.

"Selecting somebody that was immediately operational," said Prost, "especially in terms of physical fitness, was clearly a key consideration."

Collard is by no means unfit, but having not driven a Formula One car since last fall, his neck muscles were not ready to undergo the beating by the g-forces in such a car through a race. But that was not the only problem.

"I haven't practiced starts," said Collard. "I haven't practiced pit stops for fuel either. But as long as no one allows me to race, I won't get the experience."

His Prost testing was not done under the best conditions, since he had just finished driving in the Le Mans 24 hour race, so he was tired.

"But I think I did the necessary," he said. "And I think that this week things would have gone a lot better already. The neck is something very specific, and if you don't drive in the car, you cannot reproduce anywhere else what happens there. You can always do exercises, but it never replaces the actual driving. You need a minimum of four, five days of testing to get your neck in shape."

At the start of the season Trulli did not have any Formula One experience either. He was given a seat at Minardi for a learning year. Minardi is not a top team. One of its shareholders is Flavio Briatore, who is also Trulli's personal manager. Briatore is also managing director of the Benetton team and he owned the Ligier team and sold it this year to Prost, who changed its name to Prost.

Collard remains optimistic as the possibility of driving as a replacement for Nakano has not been ruled out. Nakano has been kept on thanks only to his relationship with the team's engine suppliers, Mugen-Honda.

Collard says that the natural selection of a driver these days is not quite the same as it used to be. Morbidelli, 29, got his drive at Sauber this season because Nicola Larini had not been achieving the expected results. Both Morbidelli and Larini had been test drivers for Ferrari which Sauber's engines.

"These days," said Collard, "a driver is a pawn that they place where they want."

At Sauber, Morbidelli will be replaced by Norberto Fontana, a 22-year-old Argentine who was a test driver for the team, but who has never raced.

"Sometimes it's more important to be in a good political situation, to know the right people," said Morbidelli. "It's not important that you are a good driver."

The absence of Panis eliminates one of the French pawns from the French Grand Prix. It will be exclusively a home show for Jean Alesi.

TENNIS: *Wimbledon Tries to Stay Afloat*

Continued from Page 1

Tuesday as his deadline, considering the commitments of players to appear at tournaments elsewhere. At the moment the men's final is planned for Sunday, July 6.

Mills and Tim Phillips, a club official, gave a press conference Thursday to talk about the weather. They were given a thorough going-over for the All-England Club's decision to build the new Court No. 1 without a modern retractable roof. It seems that the club decided, with intrepid British logic, that it would not be fair for some players to play under cover while others played outdoors. But what about the fans, he was asked. "Well, yes," Phillips said, which was the entirety of his response, his hands clasped together.

Under questioning Phillips said that spectators were held in the highest regard. Thatwas affirmed by the three hardy soulsunder pattering umbrellas outside the gates. They met here more than 10 years ago anddeveloped a system for buying the most precious tickets in tennis.

"The club puts aside about 600 tickets on each show court for those of us who queue overnight," said Judy Bourne of Cheltenham, who has been camping out at Wimbledon for 13 years. "They're always the best seats, down near the court."

Their friend, Malcolm Halstead, a nurse from Blackburn, estimated that all expenses for his annual opening-week at Wimbledon runs no more than £250. For dinner they order pizzas to be delivered outside one of the gates; at 7 each morning the police awake them.

It might seem that they are waiting overnight for tickets to matches that won't be played — but not all was lost, Halstead said. Those tickets will be refunded by the club, guaranteeing them seats this time next year.

But look at yourselves, a passerby said. Everyone is running for cover — and the three of you sit in the rain.

Sue Edwards, who travelled 170 miles for the week's holiday, thought about that for a while. "We have nowhere else to go," she said.

Bolivia Beats Mexico on Wild Night in La Paz

Compiled by Our Staff From Dispatches

Bolivia, the host, beat Mexico on Wednesday, 3-1, in a Copa America semi-final littered with disputed refereeing decisions, one of which led to Mexican protests that held up the game for 10 minutes.

Mexico, which finished the tumultuous match in La Paz with nine players after having two sent off, protested furiously after Bolivia's first goal, which wiped out an early Mexican goal by Nicolas Ramirez.

In the 26th minute, Erwin Sanchez hammered a long-range free kick against the Mexican crossbar, the ball flew down, hit the ground and bounced away from the goal. The referee awarded Bolivia a goal. Mexico's players surrounded the referee claiming the ball had not crossed the line. Team officials ran onto the field and were surrounded by riot police.

Television replays showed that the referee was correct.

Bolivia, outplayed for much of the game, went ahead before half time with a goal by Ramiro Castillo. Jaime Moreno scored the third goal in the 75th minute.

World Youth Cup Argentina beat England, 2-1, on Thursday in Johor Bahru, Malaysia, to set up a quarter-final with Brazil, the favorite.

Roman Riquelme and Pablo Aimar scored in the first half and the Argentines outplayed England for most of the match.

Argentina beat Brazil in the final two years ago in Qatar and also beat Brazil in the final of the South American youth tournament recently with two goals by Riquelme.

James Carragher headed a goal at the start of the second half, but England found it impossible to exert prolonged pressure.

In Kangar, Japan gained a surprise 1-0 victory over Australia and will play Ghana, which drubbed the United Arab Emirates, 3-0.

In Kuantan, Spain scored twice in the final 16 minutes to beat Canada, 2-0, and will play Ireland on Sunday.



The Associated Press

The Argentine defender Leonardo Cufre outjumping Ritchie Humphreys of England in Thursday's game.

SCOREBOARD

BASEBALL

MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE

EAST DIVISION	W	L	Pct.	GB
Baltimore	50	23	.685	—
New York	43	32	.573	8
Boston	35	40	.467	16
Toronto	33	39	.458	16½
Detroit	32	41	.438	18
CENTRAL DIVISION				
Cleveland	38	33	.535	—
Chicago	37	37	.500	2½
Milwaukee	35	37	.486	3½
Kansas City	34	38	.472	4½
Minnesota	34	40	.459	5½
WEST DIVISION				
Seattle	44	32	.579	—
Anaheim	40	35	.533	3½
Texas	37	37	.500	6
Oakland	31	47	.397	14

NATIONAL LEAGUE

EAST DIVISION	W	L	Pct.	GB
Atlanta	48	28	.631	—
Florida	45	30	.600	2½
New York	43	33	.566	5
Montreal	42	33	.560	5½
Philadelphia	23	51	.311	24
CENTRAL DIVISION				
Houston	38	39	.493	—
St. Louis	35	40	.467	2
Pittsburgh	35	41	.460	2½
Cincinnati	32	43	.427	6
Chicago	29	47	.382	8½
WEST DIVISION				
San Francisco	44	32	.579	—
Colorado	40	37	.519	4½
Los Angeles	38	38	.500	6
San Diego	32	44	.421	12

WEDNESDAY'S LINESCORES

AMERICAN LEAGUE

New York 000 001 002—3 5 0
Detroit 000 001 000—1 9 0
Pettitte, Stanton (8), M. Rivera (9) and Girardi; Ju.Thompson and B.Johnson. W—Stanton, 4-0. L—Ju.Thompson, 7-6. Sv—M. Rivera (25). HRs—New York, T. Martinez (26), Hayes (5).

Baltimore 033 003 000—9 12 0
Milwaukee 000 000 001—1 3 0
Mussina and Webster; Eldred, Adamson (4), Wickman (8), De.Jones (9) and Matheny, Stinnett (7). W—Mussina, 9-2. L—Eldred, 7-8. HRs—Baltimore, Surhoff (10), Hammonds 2 (10), Delucci (1).

Kansas City 200 001 130 0—7 14 0
Chicago 000 001 150 1—8 13 1
Belcher, Pichardo (8), Casian (8), J. Montgomery (9) and Macfarlane; C.Castillo, T. Castillo (6), Simas (8), Karchner (10) and Fabregas. W—Karchner, 2-0. L—J. Montgomery, 0-2. HRs—Chicago, Baines (8), Cameron (3).

Anaheim 011 020 000—4 10 3
Texas 001 021 001—5 13 1
Perisho, P. Harris (6), Holtz (8), Hasegawa (9) and Kreuter; Witt, Gunderson (9) and H. Mercedes; I. Rodriguez (8). W—Gunderson, 1-0. L—Holtz, 2-2. HR—Anaheim, Salmon (12).

Boston 102 030 222—13 16 1
Toronto 100 023 003—12 12 1
Wakefield, Hammond (6), Lacy (8), Slocumb (9) and Haselman; Henigen, Quantrill (9) and O'Brien. W—Wakefield 3-7. L—Henigen 8-6. Sv—Slocumb (10). HRs—Boston, Garciaparra (12), Bragg (8), Jefferson (8), Stanley (6), O'Leary (7).

Oakland 010 000 102—4 12 1
Seattle 203 030 10x—9 11 0
Wengert, D. Johnson (5), Groom (7) and Ga.Williams; Wolcott, Charlton (8), S. Sanders (9) and Marzano. W—Wolcott 4-4. L—Wengert 3-6. HRs—Oakland, Bautista (1). Seattle, E. Martinez 2 (12), Sorrento (12), Marzano (1).

NATIONAL LEAGUE

Pittsburgh 010 000 000—1 6 2
Houston 000 000 14x—5 9 0
Cooke, Sodowsky (8), Ruebel (8), Loiselle (8) and Kendall; Kile, B.Wagner (9) and Eusebio. Ausmus (8). W—Kile, 9-3. L—Sodowsky, 0-1. HR—Houst., De.Bell (4).

Florida 010 131 100—7 14 1
Philadelphia 400 010 000—5 9 1
A.Fernandez, F. Heredia (7), Nen (9) and Zaun; Madura, R. Harris (5), Blazier (7), Brewer (7), Bottalico (9) and Lieberthal. W—A. Fernandez, 8-6. L—R. Harris, 0-3. Sv—Nen (21). HR—Florida, Abbott (5).

Cincinnati 000 100 000 01—2 6 1
Montreal 100 000 000 00—1 9 0
Mercker, Belinda (8), Remlinger (9), Shaw (11) and J. Oliver; P.J.Martinez, Telford (10) and Widger, Chavez (10). W—Remlinger, 7-3. L—Telford, 2-1. Sv—Shaw (14). HRs—Cincinnati, M. Kelly (2). Montreal, Lansing (12).

Atlanta 203 142 101—14 17 0
New York 201 000 004—7 9 1
Glavine, Borowski (8), Clontz (9), Byrd (9) and J. Lopez; Edd.Perez (8); B.J.Jones, R. Jordan (5), Acevedo (8) and A. Castillo. W—Glavine, 8-4. L—B. J.Jones, 12-4. HRs—Atlanta, Blauser (10), Ch.Jones 2 (12).

San Diego 112 030 000—7 11 2
San Francisco 241 100 06x—14 17 1
Ashby, Tl.Worrell (7), Bochtler (8), Batchelor (8) and Flaherty; O.Fernandez, Roa (4), R. Rodriguez (6), Tavarez (7), Poole (8), D.Henry (8), Beck (9) and R. Wilkins. W—R. Rodriguez, 3-3. L—Ashby, 3-4. HR—San Diego, Gomez (4).

Chicago 010 003 000—3 6 1
St. Louis 010 000 002—3 7 1
Trachsel, Patterson (9), T. Adams (9) and Servais; Morris, T.J.Mathews (8) and Lampkin. W—T. J.Mathews 3-3. L—Patterson 1-3. HR—St. Louis, Gaetti (6).

Colorado 000 000 000—0 4 2
Los Angeles 280 000 00x—2 7 0
Burke, DeJean (6), Dipato (8) and Je.Reed; I.Valdes, Radinsky (9), Dreifort (9), Hall (9) and Piazza. W—I. Valdes 4-8. L—Burke 2-2. Sv—Hall (2). HR—Los Angeles, Piazza (13).

JAPANESE LEAGUES

CENTRAL LEAGUE

	W	L	T	Pct.	GB
Yakult	41	23	—	.641	—
Hiroshima	34	28	—	.548	6.0
Hanshin	31	33	—	.484	10.0
Chunichi	29	34	—	.460	11.5
Yokohama	26	33	—	.441	12.5
Yomiuri	27	37	—	.422	14.0

THURSDAY'S RESULTS

Yakult 3, Hanshin 2
Yokohama 2, Yomiuri 1
Hiroshima 11, Chunichi 3

PACIFIC LEAGUE

	W	L	T	Pct.	GB
Orix	34	21	1	.618	—
Seibu	33	27	2	.550	3.5
Daiei	36	30	—	.545	3.5
Nippon Ham	31	33	—	.484	7.5
Lotte	24	35	2	.407	12.0
Kinetsu	25	37	1	.403	12.5

THURSDAY'S RESULTS

Daiei 9, Seibu 8
Kintetsu 13, Lotte 6

BASKETBALL

EUROPEAN CHAMPIONSHIP

GROUP A
Turkey 70, Bosnia 62

GROUP B
Lithuania 75, Israel 60

GROUP D
Croatia 75, Germany 55

SOCCER

COPA AMERICA
SEMIFINAL
Bolivia 3, Mexico 1

WORLD YOUTH CUP
SECOND ROUND
Japan 1, Australia 0
Ghana 3, United Arab Emirates 0
Argentina 2, England 1
Spain 2, Canada 0

TENNIS

WIMBLEDON

ALL PLAY CANCELED DUE TO RAIN.

TRANSITIONS

BASEBALL
NATIONAL LEAGUE
NL—Suspended Philadelphia RHP Reggie Harris for 5 games, pending appeal, and fined him an undisclosed amount for intentionally throwing at a batter in a game on June 22.
NEW YORK—Signed SS Kendrick Miller and assigned him to Pittsfield, N.York-Penn. and SS Jason Shuck and assigned him to Mets, GCL.
PHILADELPHIA —Activated RHP Mike Grace from 15-day disabled list and optioned him to Scranton-Wilkes-Barre, IL.

BASKETBALL
NATIONAL BASKETBALL ASSOCIATION
LOS ANGELES CLIPPERS—Traded C Stanley Roberts to Minnesota for C Stoyko Vrankovic.

FOOTBALL
NATIONAL FOOTBALL LEAGUE
BUFFALO—Signed DE Esera Tuaolo to a 1-year contract.
GREEN BAY—Signed DE Tony Daniels. Released RB James Bostic and FB Adam Sotiano.
NEW YORK JETS—Traded TE Henry Lusk to Green Bay Packers to complete an earlier trade.
TAMPA BAY —Announced resignation of OB Martin Mayhew.

HOCKEY
NATIONAL HOCKEY LEAGUE
NHL BOARD OF GOVERNORS—Approved Atlanta, Minneapolis-St. Paul, Nashville, Texas and Columbus, Ohio as expansion teams with Nashville, Texas, to begin play in the 1998-99 season, Atlanta in the 1999-2000 season and Minneapolis-St. Paul and Columbus, Ohio in 2000-01 season.

هكذا من الأصل

Duncan Is No.1
Nets Pick Van Horn for
NBA
Duncan was chosen in the NBA draft.
DENNIS THE MENACE
PEANUTS
GARFIELD
BEETLE B
BLONDIE
Arts & Antiques

هكذا من الأصل

Duncan Is No.1, Then Confusion

76ers Pick Van Horn for Nets but Celtics Block Deal

By Mike Wise
New York Times Service

CHARLOTTE, North Carolina — The tales of his athletic ability grew with each workout. He could dunk with either hand and leap 36 inches (91 centimeters) from a standing position. The other day at a workout, he made 34 of 40 shots from different spots on the floor.

Keith Van Horn was not mentioned in the same breath as Tim Duncan, but the 6-foot-10 multifaceted forward from Utah had become so coveted in the past few days that several teams were prepared to part with superstars to get him.

Ultimately, he stole much of the attention Wednesday from Tim Duncan, the No. 1 pick in the National Basketball Association draft. After the San Antonio Spurs added Duncan to their formidable front line of David Robinson and Sean Elliott with the first pick at the Charlotte Coliseum, Van Horn was selected by the Philadelphia 76ers, who were moments away from trading him to the New Jersey Nets until the Boston Celtics got in the way.

Trying to secure the right to draft Van Horn second, the Nets proposed sending Jim Jackson and Eric Montross, their No. 7 and No. 21 picks, to Philadelphia. In exchange, the 76ers would give journeyman center Michael Cage, shooting guard Lucious Harris and the small forward Don MacLean to the Nets.

But the Celtics, who had tried to send Dino Radja to the 76ers for Michael Cage and Clarence Weatherspoon until Radja failed his physical with the 76ers on Tuesday, moved to block the deal.

Hearing that the trade involved Cage, Boston filed a protest with the league, centering on Radja's failure to pass a physical. Since the matter will go to arbitration and be decided by the NBA commissioner David Stern, Cage could not be involved in the deal — thus delaying the proposed trade.

"I think they really drafted me with the idea of a trade, trying to get something for me" Van Horn said. "A lot of guys that get drafted know they're going to go to that team, but I don't know that for sure."

[The Celtics claimed that the 76ers exaggerated the extent of Radja's knee problems to get out of the trade, the Los Angeles Times reported.

["When Dino left us two weeks ago, he was working out, playing tennis and one-on-one basketball, and his knee looked great," the Celtic coach Rick Pitino said in a television interview. "I find out when he saw two doctors in Philadelphia, they found something totally different."]

Philadelphia's decision cleared up much confusion among the first five picks. Boston selected the Colorado point guard Chauncey Billups with the third selection, Vancouver chose Bowling Green point guard Antonio Daniels with the fourth pick and Denver chose Texas Tech center Tony Battie No. 5.

The Celtics, who also held the No. 6 pick, chose Ron Mercer, the Kentucky sophomore who played for Pitino the past two seasons.

Boston considered taking the 18-year-old Tracy McGrady from Mount Zion Christian Academy in Durham, North Carolina, but declined at the last moment.

And the Nets chose Villanova freshman Tim Thomas at No. 7.

The Golden State Warriors selected Adonal Foyle, the Colgate center, at No. 8.

McGrady was selected No. 9 by the Toronto Raptors.

Duncan was the first senior to be chosen No. 1 overall since Larry Johnson was taken No. 1 by Charlotte in 1991. The last time two seniors were chosen first and second was in 1990, when Derrick Coleman and Gary Payton went No. 1 and No. 2 to New Jersey and Seattle respectively.

Daniels, too, stayed for his senior year, and it paid off in ways unimaginable for the Bowling Green star. He went from the low second round to the top five of the draft in a heartbeat, convincing scouts and general managers on film and in person that he could run an NBA team immediately.

Duncan had not even heard of him until they roomed together three weeks while taking their predraft physicals in Chicago.

Born in St. Croix in the U.S. Virgin Islands, Duncan will join Robinson on a Spurs team that is suddenly back in Western Conference title contention.

He was also the first true center to be selected No. 1 since Shaquille O'Neal in 1992.

From the moment Duncan decided to stay in college after his junior year, his stock was already set as high as possible. But that of Van Horn continued to rise leading up to the draft as he produced memorable workout after memorable workout for several teams.

The aftershocks surrounding the interest in him were felt as far as Chicago.

The Bulls were reportedly very interested in swapping Scottie Pippen and Luc Longley for Boston's third and sixth picks and Antoine Walker in order to have a shot at Van Horn.

But one league official said Michael Jordan threatened the Bulls with retirement if the deal went through.

NBA Draft Selections

First Round

1, San Antonio, Tim Duncan, Centre, Wake Forest; 2, Philadelphia, Keith Van Horn, Foward, Utah; 3, Boston, Chauncey Billups, Guard, Colorado; 4, Vancouver, Antonio Daniels, G, Bowling Green; 5, Denver, Tony Battie, C, Texas Tech;

6, Boston (from Dallas), Ron Mercer, F, Kentucky; 7, New Jersey, Tim Thomas, F, Villanova; 8, Golden State, Adonal Foyle, C, Colgate; 9, Toronto, Tracy McGrady, F, Mount Zion Christian Academy (H.S.); 10, A-Milwaukee, Danny Fortson, F, Cincinnati;

11, Sacramento, Olivier Saint-Jean, F, San Jose St; 12, Indiana, Austin Croshere, F, Providence; 13, Cleveland, Derek Anderson, G, Kentucky; 14, Los Angeles Clippers, Maurice Taylor, F, Michigan;

15, B-Dallas (from Minnesota), Kelvin Cato, C, Iowa St; 16, Cleveland (from Phoenix), Brevin Knight, G, Stanford; 17, Washington (forfeited with signing Juwan Howard) Orlando, Johnny Taylor, F, Tennessee-Chattanooga; 18, B-Portland, Chris Ansley, C, South East Melbourne (Australia); 19, Detroit, Scot Pollard, F, Kansas;

20, Minnesota (from Portland through Charlotte), Paul Grant, C, Wisconsin; 21, New Jersey (through L.A. Lakers), Anthony Parker, G, Bradley; 22, Atlanta, Ed Gray, G, California; 23, C-Seattle, Bobby Jackson, G, Minnesota; 24, Houston, Radrick Rhodes, g, Southern Col.; 25, New York, John Thomas, F, Minnesota;

26, Miami, Charles Smith, G, New Mexico; 27, Utah, Jacque Vaughn, G, Kansas; 28, Chicago, Keith Booth, F, Maryland.

Second Round

30, Houston (from Vancouver), Serge Zwikker, C, North Carolina; 31, Miami (from Boston), Mark Sanford, F, Washington; 32, Detroit (from San Antonio), Charles O'Bannon, F, UCLA; 33, C-Denver, James Cotton, G, Long Beach St.; 34, Philadelphia, Marko Milic, F, Smelt Olimpija (Slovenia);

35, Dallas, Bubba Wells, F, Austin Peay St.; 36, Philadelphia (from New Jersey), Kebu Stewart, F, Cal. St. Bakersfield; 37, D-Philadelphia (from Toronto), James Collins, G, Florida St.; 38, Golden State, Marc Jackson, C, Temple; 39, Milwaukee, Jerald Honeycutt, F, Tulane;

40, Sacramento, Anthony Johnson, G, College of Charleston; 41, Seattle (from L.A. Clippers), Eddie Elisma, F, Georgia Tech.; 42, E-Denver (from Indiana), Jason Lawson, C, Villanova; 43, Phoenix, Stephen Jackson, G, Butler County CC (Ken.); 44, Minnesota, Gordon Malone, F, West Virginia;

45, Cleveland, Cedric Henderson, F, Memphis; 46, Washington, Gaal Shamangod, G, Providence; 47, E-Orlando, Eric Washington, G, Alabama; 48, Portland, Alvin Williams, G, Villanova; 49, Washington (from Charlotte), Predrag Drobnjak, C, Partizan Belgrade (Serbia);

50, Atlanta (from Detroit), Alain Digbeu, G, Villeurbanne (France); 51, Atlanta, Chris Crawford, F, Marquette; 52, L.A. Lakers, DeJuan Wheat, G, Louisville; 53, F-Vancouver (from Houston), C.J. Bruton, G, Indian Hills CC (Iowa); 54, L.A. Lakers (from New York), Paul Rogers, C, Gonzaga;

55, Seattle, Mark Blount, C, Pittsburgh; 56, Boston (from Miami), Ben Pepper, C, Newcastle (Australia); 57, Utah, Nate Erdmann, G, Oklahoma; 58, Chicago, Roberto Duenas, C, F.C. Barcelona (Spain).

A—Milwaukee traded F Johnny Newman, F-C Joe Wolf and rights to Danny Fortson (10th pick) to Denver for C Ervin Johnson.

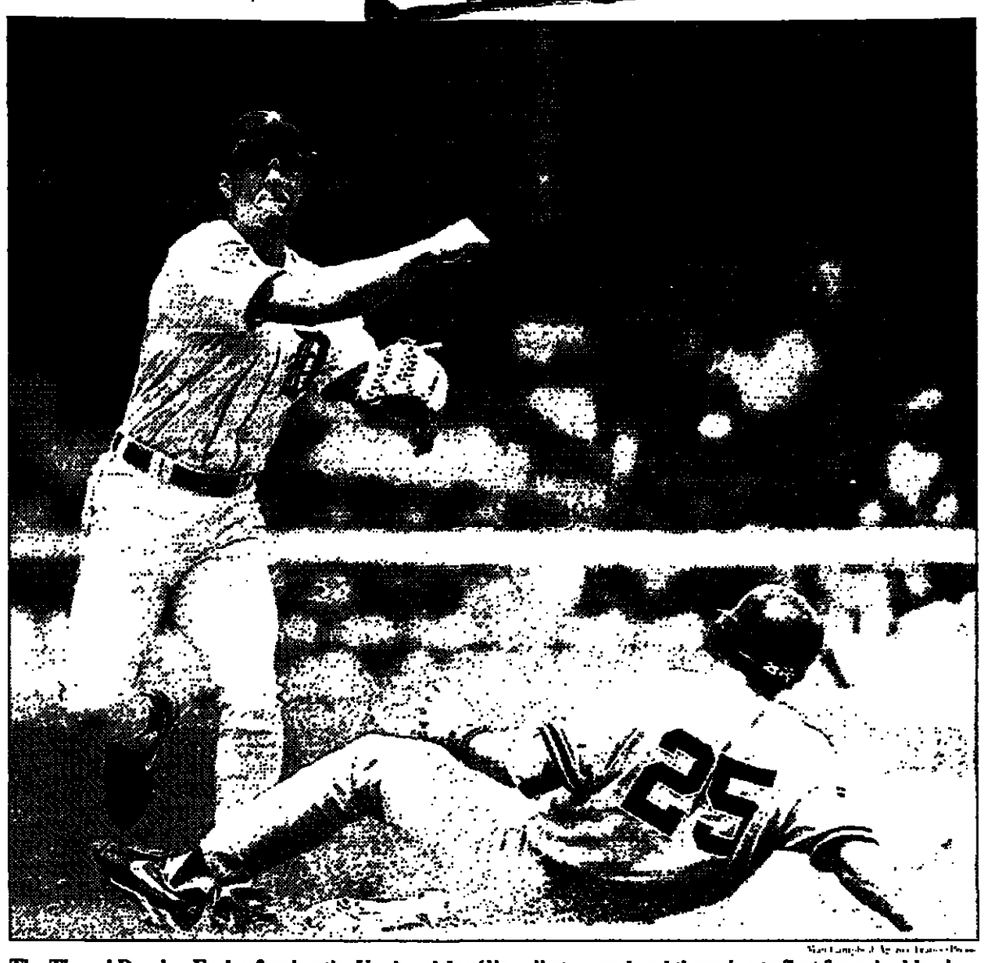
B—Dallas traded rights to C Kelvin Cato (15th pick) to Portland for rights to C Chris Ansley (18th pick) and undisclosed amount.

C—Seattle traded rights to G Bobby Jackson (23d pick) to Denver for rights to G James Cotton (33d pick) and 1998 2d-round draft pick.

D—Philadelphia traded rights to G James Collins (37th pick) to the L.A. Clippers for 1998 2d-round draft pick.

E—Denver traded rights to C Jason Lawson (42nd pick) to Orlando for rights to G Eric Washington (47th pick).

F—Portland acquired rights to G C.J. Bruton (53d pick) from Vancouver for undisclosed amount of money.



Mark Lennihan/The Associated Press

The Tigers' Damion Easley forcing the Yankees' Joe Girardi at second and throwing to first for a double play.

Griffey Hurt, May Miss All-Star Game

The Associated Press

For the third consecutive year, baseball's All-Star game could be missing one of its brightest stars.

Ken Griffey Jr. pulled up lame after he hit a run-scoring double in the first inning Wednesday night and could be out for up to three weeks. He was suffering from a tight right hamstring.

The All-Star game will be played in Cleveland on July 8. Griffey, who leads the majors with 29 home runs and the American League with 64 runs and 79 runs batted in, is the top vote-getter.

Baseball Roundup

He has missed the last two All-Star games because of injuries: He fractured his left wrist crashing into the center field wall in May 1995, and missed 73 games. He broke a small bone in his right wrist while batting in June 1996, and missed 20 games.

Griffey's condition was to be re-evaluated by the Mariners' team physician, Dr. Mitchel Storey, who expects the outfielder to be out three to five days if the injury responds well to treatment, but two to three weeks if the hamstring is stiff and swollen.

With Griffey gone, Edgar Martinez homered twice as Seattle pounded four home runs in a 9-4 victory over the Oakland Athletics.

Orioles 9, Brewers 1 In Milwaukee, Mike Mussina lost a no-hitter in the eighth inning on Jose Valentin's single and settled for a three-hitter in another strong performance weeks after he nearly pitched a perfect game.

Mussina (9-2) struck out a season-high 12 and walked one. The right-hander gave up a sacrifice fly to Dave Nilsson in the ninth to score Milwaukee's run.

Yankees 3, Tigers 1 Charlie Hayes hit a two-run homer in the ninth inning as New York completed a three-game sweep at Detroit. Tino Martinez hit a home run — his third in two games — for the Yankees, who have won seven straight at Tiger Stadium.

White Sox 8, Royals 7 In Chicago, the White Sox rallied for five runs in the eighth and got a pinch-hit run-scoring single from rookie Mario Valdes in the 10th to win.

Rangers 5, Angels 4 Mark McLemore's bases-loaded single with one out in the bottom of the ninth enabled Texas to snap a seven-game losing streak at home.

Red Sox 13, Blue Jays 12 In Toronto, Nomar Garciaparra homered on Pat Hentgen's first pitch — one of five Boston homers — and the Red Sox outlasted the Blue Jays for a wild win to sweep the three-game series.

Hentgen had not given up an earned run in 21 innings before Garciaparra connected for his 12th homer. Hentgen was charged with a season-high 11 runs and 13 hits in eight innings.

In the National League:

Cardinals 3, Cubs 1 Gary Gaetti broke out of a slump by going 3 for 4, finishing the night with a two-run homer in the bottom of the ninth to give St. Louis victory over Chicago. He also had a run-scoring single and a double.

Gaetti came close to giving St. Louis the lead in the seventh inning. But he was thrown out by the Cubs' center fielder, Brian McRae, when he tried to score on a short fly ball, completing a double play.

Dodgers 2, Rockies 0 In Los Angeles, Dodger pitcher Ismael Valdes gave up four hits in 8⅓ innings and retired 19 of the first 20 batters he faced.

Mike Piazza hit a two-run homer in the first inning to help Valdes (4-8) end a slump in which he had surrendered 19 earned runs in 26⅔ innings and had a televised dugout confrontation with manager Bill Russell.

Astros 5, Pirates 1 In Houston, Derek Bell's homer snapped an eighth-inning tie and Darryl Kile (9-3) pitched eight strong innings, striking out seven and walking two.

Marlins 7, Phillies 5 John Cangelosi went 4 for 5 as Florida moved 15 games over .500 for the first time in franchise history.

Reds 2, Expos 1 Mike Kelly's two-out, 11th-inning homer gave Cincinnati its second straight extra-inning win at Montreal.

Kelly hit his second homer as the Reds handed the Expos their fourth loss in six games. Montreal won 11 of 12 before the recent slide.

Braves 14, Mets 7 Chipper Jones homered twice, including his first grand slam in the majors, as Atlanta won in New York.

Giants 14, Padres 7 In San Francisco, J.T. Snow matched a career-high with four runs batted in and Barry Bonds scored four times.

Bonds went 3 for 5 with a walk and Darryl Hamilton also went 3 for 5, including a triple, as the Giants won for the eighth time in 11 games. The 17 hits and 14 runs were both season-highs for San Francisco.

• Minnesota at Cleveland was postponed by rain.

NBA Taps European Players

By Ian Thomsen
International Herald Tribune

LONDON — Four of the NBA draftees played in Europe last season:

• Marko Milic — He might be one of the draft's big losers. The 6 foot 4 inch (1.93 meter) Slovenian guard of Olimpija-Ljubljana could have entered the draft next year, at 21, by which time he might have done more to prove himself worthy of a first-round pick and a contract worth millions. Instead the Philadelphia 76ers grabbed him early in the second round (34th overall), so he might not receive more than the minimum salary. Milic shattered a backboard at the European Final Four. At exhibitions he has leaped over a car to dunk.

• Predrag Drobnjak — His physical style of play might be his biggest asset if he signs with the Washington Wizards, formerly the Bullets, who drafted him in the second round (49th).

• Alain Digbeu — The French forward will be the athletic equal of any player taken in the draft. He grew to be dependable under pressure for Villeurbanne of France, which made it to the Final Four last season. The Atlanta Hawks chose him in the second round (50th). He has two years left on his contract, but Villeurbanne has said it will let him jump to the NBA at once.

• Roberto Duenas — At 7 foot 4 inches (2.23 meters) he reminds many of Gheorge Muresan of the Washington Wizards. Duenas, 21, could be an important player for the Chicago Bulls, who picked him 58th overall, but they might have to be patient. FC Barcelona recently signed Duenas for five years.



Andy Hayt/The Associated Press

No. 1 pick Tim Duncan was chosen by the Spurs in the NBA draft.

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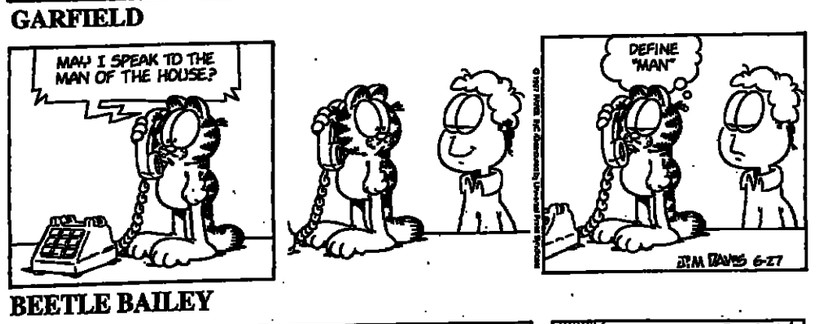
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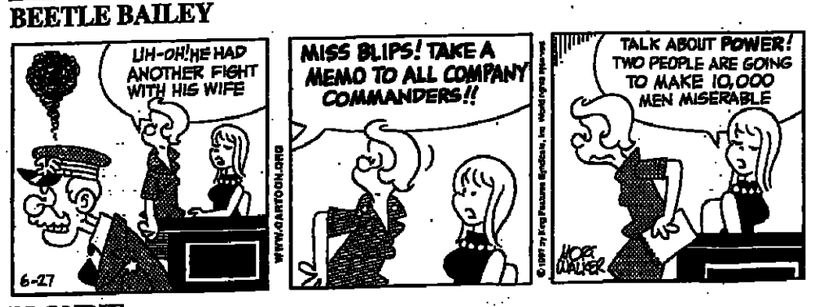
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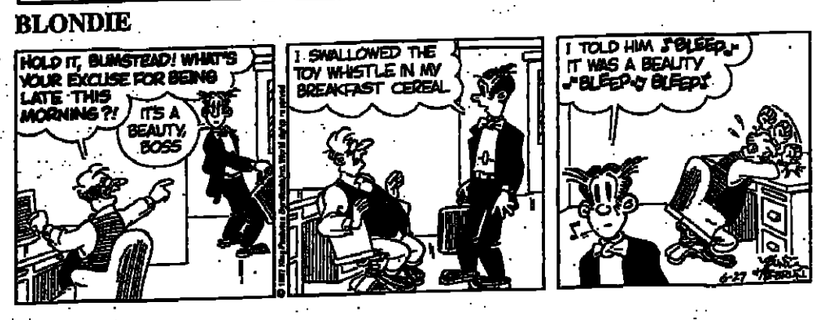
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JOKER GRIME ACHING FORBLE

What a modern homemaker was got stuck in – THE IRON AGE

OBSERVER

Iconization! Help!

By Russell Baker

NEW YORK — Disaster! That's what my campaign against icons has ended in. The defeat is not as catastrophic as Custer's at the Little Big Horn, but it is just as total. American writers on all flanks are pelting me senseless with icons.

Wherever you turn another writer is hurling icons. Even the sports page, that sanctuary of good old plain talk, is no longer icon-free. Reading happily along in an essay on corked baseball bats the other day, I was frozen in midcolumn to see George Brett being called "an icon of the game."

Why belittle Brett with namby-pamby icon talk? George Brett was one of the best hitters ever; reducing him to an icon cheats him of the high praise he deserves.

□

Look: Do you think Gale Hayman is in a class with George Brett? When you're two runs behind with two men on base and two out in the ninth inning, whom do you want to see coming to the plate? Gale Hayman or George Brett?

Yet she's an icon too. "Gale Hayman is a beauty icon," reports Update, a publication of The New York Times Syndicate.

So I open a book, a heavy book, a serious book, and what do you suppose leaps off Page 3 before the author has even warmed up? Yep. Icons.

And what do you think Barbra Streisand is? "She's kind of like a gay icon," a museum visitor tells a Washington Post writer reporting from the Barbra Streisand Museum in San Francisco.

But what is this I see on the cover of The New York Times Book Review? It is news of yet another book about Virginia Woolf, "an icon and a beacon for most of a century."

There may be an infectious icon epidemic raging at The Times. The week after the iconning of Virginia Woolf, a Times Magazine story about the Long Island Congresswoman Carolyn McCarthy was headlined, "An Icon Goes to Washington."

Two Sundays earlier the Week in Review section referred to Frank Sinatra, Dean Martin and Sammy Davis Jr. as "three icons of swank."

Poor dead Che Guevara cannot reappear in The Times these days without being iconned. Interviewed by the Magazine, his biographer says Che is "a marketing icon." The Week in Review of the same day agrees about his mercantile iconhood:

"When it comes to marketing icons, there an unmistakable difference between being dead and being alive."

Always competitive with The Times, The Washington Post has kept the iconic pace. A recent headline converted the old Volkswagen Beetle into "a '60s Icon." Its Style section reviewed "three disks of iconic songs." These were not songs about icons, but supposedly about gay culture.

From the Cincinnati Enquirer comes grim news for friends of the 1970s. "A Cincinnati icon for that very era" is dying.

That icon is Lucy's in the Sky, a saloon on the glass-walled 12th floor of the Holiday Inn downtown. It's closed.

Will no one save America from iconicization? Anyone who does will become an anti-iconicization icon.

New York Times Service

In Hollywood, It's Planet of the Insects

By Bernard Weinraub
New York Times Service

LOS ANGELES — Blame it on the millennium. Blame it on fears about cloning. Blame it on an overload of studio alien films or just plain creative exhaustion among executives and screenwriters. But bugs — teeny ones and monsters, happy little critters who sing and fearsome ones who kill — are overrunning Hollywood studios.

At least a half-dozen scripts involving insects are in various stages of development and production, turning the creatures into formidable screen competitors of dinosaurs and aliens.

The last wave of insect films took place in the post-atomic age, exemplified by "Them!," the 1954 classic about giant ants running wild in the Southwest after an atomic test. "There was an undercurrent of fear after the atomic bomb, like what have we wrought, how have we upset the balance of nature and is this nature's revenge of us," said David Vogel, president of Walt Disney Pictures, which recently paid writer Ron Kasdan $850,000 for the rights and screenplay adaptation for his new novel, "Instinct." It's about a toxic chemical spill in Mexico that unleashes a swarm of killer bugs headed for Texas.

"Right now we're in a similar time," said Vogel, who was echoing the views of several other executives and producers. "Every week we seem to be reading about cloning and biological engineering and new discoveries of water on planets. Science is altering our sense of the familiar. And these movies are tapping into that."

Among the bug movies looming are Paul Verhoeven's "Starship Troopers," about a war between humans and giant alien ants, to be released by Tri-Star in November; "Antz," an animated film (with the voice of Woody Allen as the lead bug) to be made by Dreamworks; "Dust," a Warner Bros. movie based on a novel by Charles Pellegrino about the extinction of insects potentially dooming the planet, and a Pixar film for Disney called "A Bug's Life."

In another bug film, "Mimic," to be released in July by Miramax, Mira Sorvino is menaced by a cockroach hybrid, a combination praying mantis and termite. The film's director, Guillermo del Toro, who made "Cronos," the 1993 award-winning terror film, has obviously spent a lot of time thinking about bugs, and spoke almost mystically about them.

"What's appealing for filmmakers is that these things are real," he said during a telephone interview. "They share the same planet. You don't have to make them up. We see them every day. Yet bugs are creatures with a nightmarish perfection. We have little in common with them. They have six legs, multiple eyes, no heart, no lungs and are unstoppable. Mammals are soft, fleshy, vulnerable, while bugs are covered by an armored plate. They can be single-minded and ruthless. They are grotesque. They are God's nightmare."

Similarly, Wes Craven, another top horror filmmaker, says bugs are far more frightening than aliens. "We don't like them," he said. "They're symbols of corruption and filth. They share our space, and we know that they can really hurt us. They stand for an element of nature that's voracious and ultimately sees us as food. And they're probably right."

Of course, studio executives and agents view bugs as part of Hollywood's never-ending quest for newer and scarier villains. "We've had viruses, slugs, tornadoes, volcanoes and now, bugs," said Mike De Luca, president of production at New Line. "It's all very biblical."

Beyond this, and on a purely practical level, studios are finding that the uses of increasingly sophisticated computer techniques make insects far easier to animate than aliens or dinosaurs. "Bugs are relatively easy to animate because they have sharp lines and hard surfaces and a uniform color, and don't have the facial expressions and recognizable human qualities that you need in dinosaurs or aliens," said Mike Simpson, co-head of the motion picture department at the William Morris talent agency. "Besides, there's the natural fear and hatred we all have for them."



Human invaders land on a planet occupied by alien insects in scene from "Starship Troopers."

Horror films have to some degree often reflected the fears and paranoia of popular culture. In the 1930s and '40s, the Frankenstein films and their imitators tapped into fear about crazed scientists. "Horror and sci-fi films have almost always been anti-science or very skeptical of it," said Welch Everman, author of "Cult Horror Films" (1993) and "Cult Science Fiction Films" (1995).

"In earlier horror films," said Everman, an associate dean at the University of Maine, "this was personified by mad scientists. In the 1950s, this was changed to a skepticism about science itself: science had won the war but people were also frightened of the atomic bomb and radioactive pollution."

Those fears inspired films in the 1950s like "Them!," which was a major success for Warner Brothers, as well as "Beginning of the End," in which giant locusts attack Chicago; "Black Scorpion," in which giant scorpions attack Mexico, and "Attack of the Giant Leeches," in which the squishy monsters are unleashed by radioactivity after a space launching.

"Since Vietnam, and more recently with news of potential ecological disasters and concerns about cloning, we view science as operating almost without limits, and these new films reflect that," Everman said. "We have a more negative view of science than in the 1950s."

What serves as an undercurrent for the new wave of terror movies, say directors and screenwriters, is the approach of the millennium. "It's millennia paranoia: people are very nervous about what'll happen," said Chris Brancato, who has written for "The X-Files" television show and written the screenplay for a new film, "Species II," now in production.

Craven, director of "Scream" and other successful horror films, said: "We're not only coming to the end of the century but the end of the millennium. There are strange things afoot. Psychologically, we feel we are moving toward the precipice and nature will take revenge."

Other masters of the horror film are not so sure. John Carpenter, whose films include "Escape From L.A.," observed that studios inevitably recycle old ideas, and the recycling is now veering toward bug films of the 1950s. "Everyone wants to mine the mother lode for a hit," Carpenter said. "And perhaps we're aliened-out at this point."

Was he surprised by the swarm of bug films? "Nothing about Hollywood surprises me," Carpenter said.

Diana Cleans Out Her Closet, and Charities Make $3 Million

By Elisabeth Bumiller
New York Times Service

NEW YORK — The clothes trace her metamorphosis from frilly princess through the "Dynasty Di" years to the woman on her own in the sleek column dresses of the 1990s. They were also, it turns out, an excellent investment.

At a packed Christie's auction, an off-the-shoulder, ink-blue velvet dinner dress that the Princess of Wales wore when she danced at the White House with John Travolta sold for $222,500 — breaking a previous Christie's record of $145,000 for the costume that Travolta himself wore in the movie "Saturday Night Fever."

So went a boisterous auction Wednesday night that brought in $3.25 million for 79 cocktail and evening dresses belonging to the Princess of Wales, an average of more than $41,000 a dress. (Christie's officials estimated their original cost at around $5,000 each.) The auction, which benefited cancer and AIDS charities, was attended by more than 1,100 buyers.

Lord Hindlip, the auctioneer and chairman of Christie's International, said Christie's had taken in about twice what he had expected.

Diana was in London, but asked that Christie's send her the results overnight, said Meredith Etherington-Smith, creative director for Christie's International.

A pearl-embroidered sheath that Diana calls the "Elvis dress" went for the second-highest price, $151,000, to the Franklin Mint, a purveyor of souvenir plates and coins. A noisy red chiffon with silver lame — "That is not the most successful dress in the collection, I am here to tell you," Etherington-Smith conceded before the auction — turned up at a lot of film premieres. Someone paid $34,500 for it Wednesday night.

The sale of Diana's "fairy tale gone sour" past at the Park Avenue auction house was, depending on one's point of view, either the beneficent act of a caring woman or a public relations gimmick by Christie's, which is collecting only its expenses. No one disputes, however, that it was the necessary undertaking of a busy shopper who desperately needed to clean out her closets. When Etherington-Smith first went to Kensington Palace to view Diana's dresses, she was taken aback by "quite a large room" entirely jammed with clothes.

"The princess said, 'You can see my problem,' " Etherington-Smith added. "I said, 'I certainly can.' "



Jon Levy/Agence France-Presse

Lord Hindlip, the chairman of Christie's International, auctioning off a fuchsia and purple chiffon dress.

PEOPLE

WHEN a politically connected lobbyist asked the Miami City Commission to build a fence that would deny joggers, bikers and skaters access to a historic Miami street, the council jumped, and said how high. Ten feet would do, replied **Rosario Kennedy**, a former commissioner and ex-wife of a former mayor, in the start of a brouhaha that has come to be known as "Stallone Gate," so named because Kennedy's client is **Sylvester Stallone**, who lives on the block to be barricaded. Without benefit of a public hearing, the commission unanimously voted to spend $4,400 to build a 110-foot-long (33-meter) fence at the end of the cul-de-sac that also is home to **Madonna**, among others. A huge fuss ensued. Opponents pointed out that the block includes a public park that provides common folk with one of the few unfettered views of Biscayne Bay and the Atlantic Ocean. The city cut a gate in the fence, but planned to keep it locked. A hearing was scheduled for Thursday night to determine whether the gate will be unlocked, at least during daylight hours.

□

Michael Jackson failed to sell out the first of his four French concerts, part of a European tour widely seen as an attempt to revive flagging record sales. Jackson played Lyon's 30,000-seat main soccer stadium but only drew 23,000 fans. The concert venue had already been switched to the stadium from a 50,000-capacity park after advance ticket sales showed that the park would never fill up.

□

An attorney grievance panel has found that **Frank Maco**, a prosecutor, was within his rights when he announced he had evidence that **Woody Allen** had committed child abuse but would not prosecute. Allen had filed a misconduct complaint with the Connecticut panel, saying Maco's announcement in 1993 essentially convicted him of child abuse while leaving him no way to clear his name and hurt his efforts in his custody fight with **Mia Farrow**.

□

The Russian-born **Elena Nazaroff**, 27, is to take over as designer of **Jacques Fath's** ready-to-wear line. Nazaroff, who will replace **Tom Vanlingen** as artistic director, moved to the United States in 1991 and studied at the Parson School of Design in New York.



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